

KIRIN HOLDINGS COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

FOR THE THREE MONTHS ENDED MARCH 31, 2020 (UNDER IFRS)

(UNAUDITED)

May 12, 2020

(English Translation)

Fiscal year ending December 31, 2020

KIRIN HOLDINGS COMPANY, LIMITEDNAKANO CENTRAL PARK SOUTH, 10-2, Nakano 4-chome, Nakano-ku, Tokyo, Japan (URL <https://www.kirinholdings.co.jp/english/>)

Code No.:	2503
Shares Listed:	Tokyo, Nagoya, Sapporo and Fukuoka
Representative:	Mr. Yoshinori Isozaki, President and CEO
For further information, please contact:	Mr. Nobuhiko Hori, General Manager of Corporate Communications Department Telephone: +81-3-6837-7015 from overseas
Submission date of quarterly securities report scheduled:	May 14, 2020
Commencement date of dividend distribution scheduled:	–
Preparation of supplementary documents to the financial results:	Yes
Holding of financial results presentation (for institutional investors and analysts):	Yes

1. Consolidated business results and financial position for the first three months of the current fiscal year (January 1, 2020 – March 31, 2020)

[Unit: Japanese yen (¥)]

(1) Results of operations (cumulative): (Amounts are rounded to the nearest ¥1 million.)

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

	Revenue (¥ millions)	Percentage change (%)	Normalized operating profit (¥ millions)	Percentage change (%)	Profit before tax (¥ millions)	Percentage change (%)
Three months ended						
March 31, 2020	424,549	(2.3)	32,787	(11.0)	32,538	-
March 31, 2019	434,331	0.7	36,857	(0.6)	(25,988)	-

	Profit (¥ millions)	Percentage change (%)	Profit attributable to owners of the Company (¥ millions)	Percentage change (%)	Total comprehensive income (¥ millions)	Percentage change (%)
Three months ended						
March 31, 2020	28,330	-	20,283	-	(26,446)	-
March 31, 2019	(29,702)	-	(33,917)	-	(20,237)	-

	Basic earnings per share (¥)	Diluted earnings per share (¥)
Three months ended		
March 31, 2020	23.68	23.67
March 31, 2019	(38.63)	(38.63)

Reference: Operating profit	Three months ended March 31, 2020	¥26,071 million	-
	Three months ended March 31, 2019	(¥29,793 million)	-

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

(2) Financial position:

	Total assets	Total equity	Equity attributable to owners of the Company	Equity ratio attributable to owners of the Company
	(¥ millions)	(¥ millions)	(¥ millions)	(%)
As of				
March 31, 2020	2,329,115	1,022,520	781,009	33.5
December 31, 2019	2,412,874	1,146,825	906,576	37.6

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended December 31, 2019	-	31.50	-	32.50	64.00
Fiscal year ending December 31, 2020	-				
Fiscal year ending December 31, 2020 (Forecast)		32.50	-	32.50	65.00

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

3. Forecast consolidated business results for the current fiscal year (January 1, 2020 - December 31, 2020)

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

	Revenue	Percentage change	Normalized operating profit	Percentage change	Profit before tax	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Fiscal year ending December 31, 2020	2,000,000	3.0	191,000	0.1	189,500	62.2

	Profit	Percentage change	Profit attributable to owners of the Company	Percentage change	Basic earnings per share
	(¥ millions)	(%)	(¥ millions)	(%)	(¥)
Fiscal year ending December 31, 2020	143,500	76.2	115,500	93.7	136.79

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

Reference: Operating profit Fiscal year ending December 31, 2020 ¥160,500 million 83.0%

Although the spread of the novel coronavirus infection (COVID-19) is expected to have some effects on the Group's business results, it is difficult to assess the financial impact due to COVID-19 because future prospects remain uncertain at this time. Accordingly, the forecast business results for the current fiscal year announced on February 14, 2020 have not been revised. For details, please see "2. OTHER (1) CONSOLIDATED FORECASTS" on page 9 of the attached materials.

* Notes

- (1) Changes in significant subsidiaries for the three months ended March 31, 2020: None
(Changes in specified subsidiaries accompanying change in scope of consolidation)

Newly included: -

Excluded: -

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

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

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

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

As of March 31, 2020 914,000,000 shares
As of December 31, 2019 914,000,000 shares

- ii. Number of treasury shares at the end of the period

As of March 31, 2020 74,375,106 shares
As of December 31, 2019 45,271,331 shares

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

For the three months ended March 31, 2020 856,597,565 shares
For the three months ended March 31, 2019 877,997,409 shares

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

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

- (1) The statements concerning future performance that are presented in this document are based on judgments using information available to Kirin Holdings and the Kirin Group as of the release date of this material. Certain risks and uncertainties could cause the results of Kirin Holdings and the Kirin Group to differ materially from any projections presented herein. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses, market trends, and exchange rates.
- (2) The Company will post the Supplementary Documents to the Financial Results today, Tuesday, May 12, and will post the presentation materials from the financial results presentation (teleconference) to be held today and the main Q&A at the meeting as soon as possible on the Company's website.
(URL of the Company's website)
<https://www.kirinholdings.co.jp/english/ir/event/explain/index.html>

ATTACHED MATERIALS

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1. CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS
(1) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ millions)

	At December 31, 2019	At March 31, 2020
Assets		
Non-current assets		
Property, plant and equipment	561,253	557,011
Goodwill	233,899	228,095
Intangible assets	168,905	184,674
Equity-accounted investees	384,756	389,915
Other financial assets	139,018	119,553
Other non-current assets	18,248	18,509
Deferred tax assets	94,656	94,241
Total non-current assets	1,600,735	1,592,000
Current assets		
Inventories	219,200	228,562
Trade and other receivables	395,656	311,557
Other financial assets	7,441	8,542
Other current assets	24,171	29,160
Cash and cash equivalents	165,671	159,294
Total current assets	812,139	737,116
Total assets	2,412,874	2,329,115

(¥ millions)

	At December 31, 2019	At March 31, 2020
Equity		
Share capital	102,046	102,046
Share premium	24,853	24,860
Retained earnings	958,292	949,732
Treasury shares	(124,999)	(189,016)
Reserves	(53,615)	(106,612)
Equity attributable to owners of the Company	906,576	781,009
Non-controlling interests	240,249	241,511
Total equity	1,146,825	1,022,520
Liabilities		
Non-current liabilities		
Bonds and borrowings	291,207	355,718
Other financial liabilities	141,058	134,549
Defined benefit liability	65,274	65,081
Provisions	4,816	4,346
Other non-current liabilities	5,538	4,015
Deferred tax liabilities	20,786	15,365
Total non-current liabilities	528,679	579,074
Current liabilities		
Bonds and borrowings	239,644	334,348
Trade and other payables	231,051	200,438
Other financial liabilities	64,658	54,774
Current tax liabilities	23,497	7,442
Provisions	5,690	5,699
Other current liabilities	172,831	124,820
Total current liabilities	737,370	727,521
Total liabilities	1,266,049	1,306,595
Total equity and liabilities	2,412,874	2,329,115

**(2) CONDENSED QUARTERLY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
 COMPREHENSIVE INCOME
 CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 THREE MONTHS ENDED MARCH 31, 2020**

(¥ millions)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Revenue	434,331	424,549
Cost of sales	243,076	238,930
Gross profit	191,255	185,619
Selling, general and administrative expenses	154,398	152,832
Normalized operating profit	36,857	32,787
Other operating income	2,350	1,015
Other operating expenses	69,001	7,731
Operating profit (loss)	(29,793)	26,071
Finance income	701	1,292
Finance costs	2,288	1,493
Share of profit of equity-accounted investees	5,392	6,669
Profit (loss) before tax	(25,988)	32,538
Income tax expense	3,714	4,208
Profit (loss)	(29,702)	28,330
Profit (loss) attributable to:		
Owners of the Company	(33,917)	20,283
Non-controlling interests	4,215	8,047
Profit (loss)	(29,702)	28,330
Earnings per share (¥)		
Basic earnings per share	(38.63)	23.68
Diluted earnings per share	(38.63)	23.67

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2020

(¥ millions)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Profit (loss)	(29,702)	28,330
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in equity instruments measured at fair value through other comprehensive income	4,144	(13,064)
Remeasurements of defined benefit plans	(20)	-
Share of other comprehensive income of equity-accounted investees	441	(175)
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences on foreign operations	6,267	(45,510)
Cash flow hedges	283	46
Share of other comprehensive income of equity-accounted investees	(1,649)	3,927
Total other comprehensive income	9,465	(54,776)
Comprehensive income	(20,237)	(26,446)
Comprehensive income attributable to:		
Owners of the Company	(26,259)	(32,933)
Non-controlling interests	6,023	6,487
Comprehensive income	(20,237)	(26,446)

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2019

(¥ millions)

	Equity attributable to owners of the Company					
	Share capital	Share premium	Retained earnings	Treasury shares	Reserves	
					Net change in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2019	102,046	2,238	932,789	(101,904)	56,863	-
Effect of changes in accounting policies	-	-	(1,262)	-	-	-
Restated balance at January 1, 2019	102,046	2,238	931,526	(101,904)	56,863	-
Profit (loss)	-	-	(33,917)	-	-	-
Other comprehensive income	-	-	-	-	3,763	441
Comprehensive income	-	-	(33,917)	-	3,763	441
Dividends from surplus	-	-	(23,706)	-	-	-
Acquisition of treasury shares	-	-	-	(6)	-	-
Disposal of treasury shares	-	0	-	4	-	-
Share-based payments	-	-	-	-	-	-
Changes in the ownership interest in a subsidiary without a loss of control	-	(6,377)	-	-	52	-
Transfer from reserves to retained earnings	-	-	441	-	0	(441)
Other	-	-	-	-	-	-
Total transactions with owners of the Company	-	(6,377)	(23,265)	(2)	53	(441)
Balance at March 31, 2019	102,046	(4,139)	874,345	(101,906)	60,679	-

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Reserves			Total		
	Foreign currency translation differences on foreign operations	Cash flow hedges	Total			
Balance at January 1, 2019	(84,189)	(1,263)	(28,590)	906,578	284,840	1,191,418
Effect of changes in accounting policies	-	-	-	(1,262)	(215)	(1,477)
Restated balance at January 1, 2019	(84,189)	(1,263)	(28,590)	905,316	284,625	1,189,941
Profit (loss)	-	-	-	(33,917)	4,215	(29,702)
Other comprehensive income	3,171	283	7,658	7,658	1,807	9,465
Comprehensive income	3,171	283	7,658	(26,259)	6,023	(20,237)
Dividends from surplus	-	-	-	(23,706)	(5,172)	(28,878)
Acquisition of treasury shares	-	-	-	(6)	-	(6)
Disposal of treasury shares	-	-	-	4	-	4
Share-based payments	-	-	-	-	(124)	(124)
Changes in the ownership interest in a subsidiary without a loss of control	(150)	-	(98)	(6,475)	(15,938)	(22,413)
Transfer from reserves to retained earnings	-	-	(441)	-	-	-
Other	-	-	-	-	0	0
Total transactions with owners of the Company	(150)	-	(539)	(30,183)	(21,234)	(51,416)
Balance at March 31, 2019	(81,169)	(981)	(21,471)	848,874	269,414	1,118,288

THREE MONTHS ENDED MARCH 31, 2020

(¥ millions)

	Equity attributable to owners of the Company					
	Share capital	Share premium	Retained earnings	Treasury shares	Reserves	
					Net change in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2020	102,046	24,853	958,292	(124,999)	41,410	-
Profit	-	-	20,283	-	-	-
Other comprehensive income	-	-	-	-	(12,607)	(142)
Comprehensive income	-	-	20,283	-	(12,607)	(142)
Dividends from surplus	-	-	(28,234)	-	-	-
Acquisition of treasury shares	-	-	-	(64,027)	-	-
Disposal of treasury shares	-	(0)	-	0	-	-
Share-based payments	-	(1)	-	9	-	-
Changes in the ownership interest in a subsidiary without a loss of control	-	7	-	-	(0)	-
Transfer from reserves to retained earnings	-	-	(217)	-	75	142
Other	-	1	(392)	-	-	-
Total transactions with owners of the Company	-	7	(28,843)	(64,017)	74	142
Balance at March 31, 2020	102,046	24,860	949,732	(189,016)	28,877	-

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Reserves			Total		
	Foreign currency translation differences on foreign operations	Cash flow hedges	Total			
Balance at January 1, 2020	(94,043)	(983)	(53,615)	906,576	240,249	1,146,825
Profit	-	-	-	20,283	8,047	28,330
Other comprehensive income	(40,514)	48	(53,216)	(53,216)	(1,560)	(54,776)
Comprehensive income	(40,514)	48	(53,216)	(32,933)	6,487	(26,446)
Dividends from surplus	-	-	-	(28,234)	(5,459)	(33,692)
Acquisition of treasury shares	-	-	-	(64,027)	-	(64,027)
Disposal of treasury shares	-	-	-	0	-	0
Share-based payments	-	-	-	9	(83)	(75)
Changes in the ownership interest in a subsidiary without a loss of control	2	-	2	9	316	325
Transfer from reserves to retained earnings	-	-	217	-	-	-
Other	(0)	-	(0)	(392)	2	(390)
Total transactions with owners of the Company	2	-	219	(92,634)	(5,224)	(97,859)
Balance at March 31, 2020	(134,555)	(935)	(106,612)	781,009	241,511	1,022,520

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

There are no matters to report under this item.

2. OTHER

(1) CONSOLIDATED FORECASTS

1) Basic policy of the Company

Regarding formulating and implementing responses to the novel coronavirus pandemic, the Kirin Group is giving top priority to the life and health of employees, their families and all stakeholders of the Group. In addition, directed at maintaining the Group's social responsibilities, the production and distribution operations that is necessary for a stable supply of food, beverages and pharmaceuticals will be continued while taking mitigation measures for the risk of infections, and the Kirin Group expects to continue to fulfill its manufacturing and supply responsibilities.

2) Initiatives and situation of the Company

In response to the spread of infection due to novel coronavirus, the Kirin Group promptly created a task force to take mitigation measures for the risk of infection for employees and is implementing measures to prevent the spread of infection. The Group continues its business operations through the following measures. In Japan, the Kirin Group enforces prohibition of employees' coming to the office and requires them to work at home as a general rule, excluding some employees involved in business operations related to production and distribution. In addition, the Group prohibits domestic and international business trips during the period of declaration of a state of emergency. Overseas, the Group implements measures such as proactively promoting teleworking in accordance with the policies and responses of each country and region. Moreover, the Kirin Group continues the production and distribution operations that are necessary for a stable supply of food, beverages and pharmaceuticals while taking mitigation measures for the risk of infection, and to attempt to fulfill its manufacturing and supply responsibilities. Although some overseas plants temporarily suspended operations due to instructions from relevant authorities or other reasons, they have resumed manufacturing and shipping, and there has been no significant disruption to the supply of products.

3) Effects on business results

The novel coronavirus pandemic has had the following effects on the Kirin Group's main businesses at this time.

Japan has seen a voluntary restraint of business activities in line with the declaration of a state of emergency, the shortening of opening hours and a decrease in the number of users of restaurants and a decrease in demand for vending machines and convenience stores partly due to the voluntary restraint of going out and working at home promoted by employers. These circumstances have resulted in a decrease in sales volume of Kirin Brewery Company, Limited and Kirin Beverage Company, Limited and other effects, which may continue in the future. Overseas, effects similar to those in Japan have been observed, although the infection status varies by country and region. Global bases are expected to record sluggish sales as well due to respective effects, such as the business suspension of restaurants in Australia and New Zealand (Lion Pty Limited), an increase in the number of retail stores and restaurants which suspend business in Myanmar (Myanmar Brewery Limited), and the closure of schools and the cancellation of events in the United States (Coke Northeast Inc.). Although the Pharmaceuticals segment has not seen any effects on the procurement of raw materials and medical materials or supply of products, there is concern over an increase in effects on market penetration and clinical trial and examination schedule of new products resulting from self-imposed measures by hospitals, access restrictions to medical institutions for employees, and activity status of regulators.

4) Financial position

As of March 31, 2020, the Kirin Group had cash and cash equivalents of ¥159,300 million on a consolidated basis and secured sufficient liquidity with credit availability that is necessary for business activities under commitment line contracts concluded with financial institutions. Investments that are not urgent in the short term, including those already scheduled, have been frozen. In addition, the issuance of domestic unsecured straight bonds was resolved at the Board of Directors' meeting held on May 12, 2020 in order to prepare for future repayments of borrowings. The forecast dividends have not been changed at this time.

5) Possibility of a revision to the forecast business results for the fiscal year

Although the items contained in 3) and 4) above include significant effects on the Kirin Group, it is difficult to assess the financial impact due to COVID-19 because future prospects remain uncertain at this time. Further, Kirin Holdings Company, Limited and each business company are formulating and implementing cost control measures. However, depending on the future circumstances, there is a possibility of a revision to the forecast business results for the fiscal year. As the effects of the novel coronavirus pandemic on the consolidated business results for the fiscal year ending December 31, 2020 are currently being examined, if a fact that should be announced occurs in the future, it will be announced promptly.

**Supplementary Documents to
the Consolidated Financial Statements
for the Three Months Ended March 31, 2020**

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

**KIRIN HOLDINGS COMPANY, LIMITED
May 12, 2020**

1. SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ billions)

	As of March 31, 2020, Actual	As of December 31, 2019, Actual	Increase (decrease)	Description of changes
Non-current assets	1,592.0	1,600.7	(8.7)	
Property, plant and equipment	557.0	561.3	(4.2)	
Goodwill	228.1	233.9	(5.8)	
Intangible assets	184.7	168.9	15.8	
Equity-accounted investees	389.9	384.8	5.2	
Other	232.3	251.9	(19.6)	
Current assets	737.1	812.1	(75.0)	
Inventories	228.6	219.2	9.4	
Trade and other receivables	311.6	395.7	(84.1)	Decrease due to the year-end of previous year being a bank holiday, etc.
Cash and cash equivalents	159.3	165.7	(6.4)	
Other	37.7	31.6	6.1	
Total assets	2,329.1	2,412.9	(83.8)	
Equity	1,022.5	1,146.8	(124.3)	
Equity attributable to owners of the Company	781.0	906.6	(125.6)	Acquisition of treasury shares, etc.
Non-controlling interests	241.5	240.2	1.3	
Non-current liabilities	579.1	528.7	50.4	
Bonds and borrowings	355.7	291.2	64.5	Increase due to new borrowings, etc.
Other	223.4	237.5	(14.1)	
Current liabilities	727.5	737.4	(9.8)	
Bonds and borrowings	334.3	239.6	94.7	Increase due to issuance of commercial papers, etc.
Trade and other payables	200.4	231.1	(30.6)	
Other	192.7	266.7	(73.9)	Decrease due to accrued liquor tax, etc.
Total liabilities	1,306.6	1,266.0	40.5	
Total equity and liabilities	2,329.1	2,412.9	(83.8)	

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

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

(¥ billions)

	Three months ended March 31, 2020, Actual	Three months ended March 31, 2019, Actual	Increase (decrease)	
Revenue	424.5	434.3	(9.8)	(2.3%)
Gross profit	185.6	191.3	(5.6)	(2.9%)
Selling, general and administrative expenses	152.8	154.4	(1.6)	(1.0%)
Normalized operating profit	32.8	36.9	(4.1)	(11.0%)
Other operating income	1.0	2.4	(1.3)	(56.8%)
Other operating expenses	7.7	69.0	(61.3)	(88.8%)
Operating profit (loss)	26.1	(29.8)	55.9	-
Finance income	1.3	0.7	0.6	84.3%
Finance costs	1.5	2.3	(0.8)	(34.7%)
Share of profit of equity-accounted investees	6.7	5.4	1.3	23.7%
Profit before tax (loss)	32.5	(26.0)	58.5	-
Income tax expense	4.2	3.7	0.5	13.3%
Profit (loss)	28.3	(29.7)	58.0	-
Owners of the Company	20.3	(33.9)	54.2	-
Non-controlling interests	8.0	4.2	3.8	90.9%
Normalized EPS	¥29	¥25	¥4	16.0%
Revenue (excluding liquor tax)	367.4	374.2	(6.8)	(1.8%)
Normalized operating profit ratio (excluding liquor tax)	8.9%	9.8%		
Normalized EBITDA	52.8	57.5	(4.7)	(8.2%)
Gross Debt Equity Ratio	0.88	0.55		

* In accordance with changes in accounting policies at the year ended December 31, 2019, three months ended March 31, 2019 have been revised retroactively.

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

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

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

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

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

(¥)

	Three months ended March 31, 2020, Actual	Three months ended March 31, 2019, Actual
Lion (AUD)	70.44	78.98
Myanmar Brewery (MMK ('000))	76.27	72.86
Coke Northeast (USD)	109.11	110.27

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

	Three months ended March 31, 2020, Actual	Three months ended March 31, 2019, Actual
San Miguel Brewery	From October 2019 to December 2019	From October 2018 to December 2018

3. REVENUE DETAILS

(1) Revenue Details

(¥ billions)

	Three months ended March 31, 2020, Actual	Three months ended March 31, 2019, Actual	Increase (decrease)	
Revenue	424.5	434.3	(9.8)	(2.3%)
Japan Beer and Spirits	134.0	139.9	(5.9)	(4.2%)
Kirin Brewery	130.4	136.3	(5.9)	(4.3%)
Other and elimination	3.6	3.6	0.0	0.8%
Japan Non-alcoholic Beverages	59.5	58.7	0.9	1.5%
Kirin Beverage	60.0	59.1	0.9	1.5%
Elimination	(0.5)	(0.4)	(0.0)	-
Oceania Integrated Beverages	68.9	73.5	(4.6)	(6.3%)
Lion	68.9	73.5	(4.6)	(6.3%)
Beer, Spirits, and Wine	41.1	39.8	1.2	3.0%
Dairy and Drinks	27.9	33.7	(5.8)	(17.2%)
Elimination	(0.0)	(0.0)	0.0	-
Pharmaceuticals	77.2	75.6	1.6	2.1%
Kyowa Kirin	77.3	75.8	1.5	1.9%
Elimination	(0.1)	(0.3)	0.1	-
Other	84.9	86.7	(1.8)	(2.1%)
Mercian	13.9	14.1	(0.3)	(1.9%)
Myanmar Brewery	10.7	9.1	1.6	18.0%
Coke Northeast	31.7	29.8	1.9	6.4%
Kyowa Hakko Bio	15.0	18.8	(3.9)	(20.5%)
Other and elimination	13.6	14.8	(1.2)	(8.2%)

(Reference) Revenue excluding liquor tax

(¥ billions)

	Three months ended March 31, 2020, Actual	Three months ended March 31, 2019, Actual
Kirin Brewery	77.1	80.0

(2) Sales Volume Details of Major Business Companies

a. Kirin Brewery

	Three months ended March 31, 2020		Three months ended March 31, 2019	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	-	(10.9%)	-	(13.2%)
<i>Happo-shu</i>	-	(6.1%)	-	(7.9%)
New genre	-	5.6%	-	27.3%
Sub-total	-	(2.5%)	-	2.7%
RTD	82	1.2%	81	15.3%
Non-alcohol beverages	9	30.2%	7	(5.6%)

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

b. Kirin Beverage Group

	Three months ended March 31, 2020		Three months ended March 31, 2019	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Category	10,000 cases		10,000 cases	
Black tea	1,313	(2.1%)	1,341	7.5%
Japanese tea	709	0.3%	707	8.0%
Coffee	574	1.5%	565	(15.0%)
Fruit and vegetable juice	507	1.4%	500	(7.6%)
Carbonated beverage	299	(21.9%)	383	11.2%
Functional beverage	226	24.6%	181	(10.3%)
Water	968	8.5%	892	4.7%
Other	314	5.0%	299	0.1%
Total	4,909	0.9%	4,868	1.3%
Container Type				
Can	622	(15.4%)	735	(11.1%)
Large-sized PET bottles (2L, 1.5L, etc.)	1,682	2.6%	1,639	5.7%
Small-sized PET bottles (500ml, 280ml, etc.)	2,222	6.4%	2,088	6.3%
Other	383	(5.6%)	406	(12.2%)
Total	4,909	0.9%	4,868	1.3%

4. PROFIT DETAILS

(1) Normalized Operating Profit Details

(¥ billions)

	Three months ended March 31, 2020, Actual	Three months ended March 31, 2019, Actual	Increase (decrease)	
Normalized operating profit	32.8	36.9	(4.1)	(11.0%)
Japan Beer and Spirits	11.2	12.2	(1.0)	(8.2%)
Kirin Brewery	10.7	11.8	(1.0)	(8.9%)
Others	0.4	0.4	0.1	13.3%
Japan Non-alcoholic Beverages	3.8	2.8	1.0	37.0%
Kirin Beverage	3.8	2.8	1.0	37.0%
Oceania Integrated Beverages	5.7	8.5	(2.7)	(32.2%)
Lion	5.7	8.5	(2.7)	(32.2%)
Beer, Spirits, and Wine	6.8	10.2	(3.4)	(32.9%)
Dairy and Drinks	0.1	(0.1)	0.2	-
Corporate	(1.2)	(1.7)	0.5	-
Pharmaceuticals	16.4	17.5	(1.1)	(6.4%)
Kyowa Kirin	16.4	17.5	(1.1)	(6.4%)
Other	5.7	5.4	0.3	5.0%
Mercian	0.0	(0.1)	0.1	-
Myanmar Brewery	5.0	3.9	1.1	28.0%
Coke Northeast	1.0	0.0	0.9	-
Kyowa Hakko Bio	(1.4)	0.6	(2.0)	-
Others	1.1	0.9	0.2	18.3%
Corporate expenses and inter-segment eliminations	(10.0)	(9.5)	(0.5)	-

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

(2) Normalized Operating Profit Breakdown of Major Business Companies

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Decrease in marginal profit of alcohol beverages, etc.	(2.5)	Total beer products (1.6) Sales decrease in beer (12) thousand KL Sales decrease in <i>happo-shu</i> (5) thousand KL Sales increase in new genre 9 thousand KL Total other than beer products 0.3 Sales increase in RTD 1 thousand KL Sales increase in non-alcohol beverages 2 thousand KL, etc. Difference of change in composite of products, etc. (1.2)
	Increase in raw material cost of alcohol beverages	(0.9)	
	Decrease in selling expenses	2.0	Decrease in sales promotion 2.2, increase in advertising (0.2) (Total 13.8→11.9)
	Decrease in other expenses	0.4	
	Total		(1.0)
Kirin Beverage	Increase in marginal profit of soft drink beverages	0.5	Increase in sales volume 0.42 million cases 0.2 Difference of change in products mix and in composition ratio of containers, etc. 0.3
	Decrease in raw material cost, etc.	0.5	Decrease in raw material cost 0.1, decrease in material cost 0.4, increase in processing cost (0.1)
	Decrease in selling expenses	0.1	Increase in sales promotion (0.3), decrease in advertising 0.4 (Total 7.4→7.3)
	Increase in other expenses	(0.1)	Increase in depreciation of vending machines, etc.
Total		1.0	

(3) Other Operating Income and Other Operating Expenses

(¥ billions)

	Three months ended March 31, 2020, Actual	Three months ended March 31, 2019, Actual	Increase (decrease)
Other operating income	1.0	2.4	(1.3)
Gain on sale of property, plant and equipment and intangible assets	0.0	1.5	(1.5)
Gain on sale of shares of subsidiaries	0.0	-	0.0
Other	0.9	0.9	0.1
Other operating expenses	7.7	69.0	(61.3)
Impairment losses	0.1	57.3	(57.2)
Business restructuring expenses	2.2	6.1	(3.9)
Software development expenses	3.7	2.5	1.2
Loss on disposal and sale of property, plant and equipment and intangible assets	0.6	0.2	0.3
Other	1.2	2.8	(1.6)

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

(¥ billions)

	Three months ended March 31, 2020, Actual	Three months ended March 31, 2019, Actual	Increase (decrease)
Finance income	1.3	0.7	0.6
Interest income	0.4	0.4	0.0
Dividend income	0.1	0.2	(0.1)
Foreign exchange gains (net)	0.6	-	0.6
Other	0.1	0.0	0.1
Finance costs	1.5	2.3	(0.8)
Interest paid	1.4	2.1	(0.7)
Other	0.1	0.2	(0.1)
Share of profit of equity-accounted investees	6.7	5.4	1.3
San Miguel Brewery	7.7	6.3	1.3
Other	(1.0)	(0.9)	(0.1)