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To Whom It May Concern:

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Notice Regarding
Revision of Consolidated Forecast for the Fiscal Year Ending December 2020

Kirin Holdings Company, Limited today announces that it has revised downward its consolidated forecasts for the fiscal year ending December 31, 2020, which were announced on February 14, 2020, as described below.

(1) CONSOLIDATED FORECASTS

Consolidated forecast for the fiscal year ending December 31, 2020

(Unit: million Japanese Yen)

	Revenue	Normalized operating profit	Profit before tax	Profit	Profit attributable to owners of the Company	Basic earnings per share
Previous forecast (A)	2,000,000	191,000	189,500	143,500	115,500	¥136.79
Revised forecast (B)	1,824,000	140,000	118,500	90,500	64,500	¥76.70
Change (B-A)	(176,000)	(51,000)	(71,000)	(53,000)	(51,000)	-
Change (%)	(8.8)	(26.7)	(37.5)	(36.9)	(44.2)	-
(Reference) Actual result of the fiscal year ended December 31, 2019	1,941,305	190,754	116,823	81,438	59,642	¥68.00

(2) REASONS FOR THE REVISION

The global spread of the novel coronavirus (COVID-19) has led to a significant decline in consolidated revenues in the Kirin Group's core businesses from April to May, and although they showed some signs of recovery in June, the impact is expected to remain in the second half of the year. As a result, although we are working to reduce expenses such as fixed costs in each of our businesses, we expect revenue and profit in every level to decline significantly from the previously announced figures.

Japan

Although the state of emergency has been lifted, the surrounding operating environment remains unstable, such as sluggish demand for eating outside due to a decrease in the number of users of bars and restaurants, as well as a decrease in demand for beverages at offices due to the the population's voluntary restraint of going outdoors and

working at home promoted by employers. While sales volume of can products, such as the new genre and RTD categories has increased in retail channels, Kirin Brewery Company, Limited has seen a significant decline in the sales volume of keg and bottle products, which are mainly sold at bars and restaurants. As this effect is expected to remain in the second half of the fiscal year ending December 31, 2020, Kirin Brewery has revised downward the year-on-year sales volume target for the beer category from a 0.9% increase to a 3.3% decrease and has decreased the full-year revenue forecast by ¥47,600 million. At Kirin Beverage Company, Limited, the sales of products in the mineral water and functional beverage categories have been favorable in retail channels, but Kirin Beverage has seen a decrease in the sales volume of products that are sold via convenience stores and vending machines. As this effect is expected to continue in the future, the company has revised the year-on-year full-year sales volume target for soft drink products from a 0.1% increase to a 9.5% decrease and has decreased the revenue forecast by ¥39,100 million.

Overseas

Outside of Japan, effects similar to those in Japan have been observed, although the COVID-19 pandemic effect varies by country and region. Restaurants in Australia and New Zealand have gradually resumed their business after business suspension under a lockdown. However, continuous restrictions on leaving the house under a high alert level in some states and other factors have had a significant effect on sales via on-premise channels. Moreover, in this environment where an increase in the unemployment rate and uncertainty in the economic outlook have caused an increase in demand for low-priced products; so negative effects in terms of profitability are expected to continue for the time being. The volume of sales via on-premise channels of Lion Pty Ltd. is forecasted to drop from the previous year, although it is expected to gradually recover toward the year-end. Accordingly, the revenue forecast has been reduced by ¥33,500 million (Lion Pty Ltd). In Myanmar, sales volume has been recovering since April when it was affected the most. Nevertheless, it will take some time in Myanmar to return to pre-COVID-19 levels partly due to a decrease in the number of seats at restaurants and cooling of consumer sentiment (Myanmar Brewery Limited). In the United States where the COVID-19 pandemic has continued, a recovery has been observed in retail stores by virtue of the resumption of economic activities (Coca Cola Beverages Northeast).

Pharmaceuticals

For the six months ended June 30, 2020, the revenue of Darbepoetin Alfa Injection Syringe [KKF] (an authorized version of NESP for the treatment of renal anemia) underperformed the initial plan in Japan, affected by the market penetration of biosimilar products. Additionally, there is a concern over a slowdown compared to the initial plan for the second half of the fiscal year ending December 31, 2020 regarding the market penetration of global strategic products due to the prolonged COVID-19 pandemic. These include Crysvida and Poteligeo which have favorably increased sales while expanding the number of countries they are sold in since their launch in 2018 and 2019 in North America and EMEA, (Kyowa Kirin Co., Ltd.).

Other

Other operating expenses have increased partly due to impairment losses and business restructuring expenses recorded in the Oceania Integrated Beverages Business and the Pharmaceuticals Business. Moreover, a decrease in share of profit of investments accounted for using equity method is expected.

For the above reasons, the consolidated forecast for the fiscal year ending December 31, 2020 has been revised.

(3) NOTES TO FORWARD-LOOKING STATEMENTS

Since it is still difficult to predict with certainty when the spread of COVID-19 will be resolved and when consumption will recover, the revised forecast is based on the information available to the Company at the date of this announcement.

In light of future trends in business performance, the Company will make timely announcements as necessary to disclose any matters that may arise.

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