

KIRIN HOLDINGS COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2008 (UNAUDITED)

November 4, 2008

(English Translation)

Fiscal year ending December 31, 2008

KIRIN HOLDINGS COMPANY, LIMITED

10-1, Shinkawa 2-chome, Chuo-ku, Tokyo, Japan (URL <http://www.kirinholdings.co.jp/english/>)

Code No.:	2503
Shares Listed:	Tokyo, Osaka, Nagoya, Fukuoka and Sapporo
Representative:	Mr. Kazuyasu Kato, President
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1. Consolidated business results and financial positions for the third quarter of the current fiscal year (January 1, 2008 - September 30, 2008)

[Unit: Japanese yen (¥)]

(1) Results of operations:

(Fractions less than ¥1 million have been omitted.)

	Sales (¥ millions)	Percentage change (%)	Operating income (¥ millions)	Percentage change (%)	Ordinary income (¥ millions)	Percentage change (%)
Third quarter ended September 30, 2008	1,695,930	28.0	103,862	15.3	86,824	(6.9)
Third quarter ended September 30, 2007	1,325,344	6.8	90,042	(4.6)	93,212	(4.4)
Year ended December 31, 2007	1,801,164		120,608		123,389	

	Net income (¥ millions)	Percentage change (%)	Net income per share (Primary) (¥)	Net income per share (Diluted) (¥)
Third quarter ended September 30, 2008	95,638	103.3	100.20	-
Third quarter ended September 30, 2007	47,041	(0.6)	49.26	-
Year ended December 31, 2007	66,713		69.86	-

Note: Percentage change compares current results with those of the third quarter period of the previous year.

(2) Financial positions:

	Total assets (¥ millions)	Net assets (¥ millions)	Ratio of equity to total assets (%)	Net assets per share (¥)
September 30, 2008	2,734,041	1,270,218	38.1	1,090.34
September 30, 2007	2,047,733	1,089,040	51.1	1,096.86
December 31, 2007	2,469,667	1,099,555	42.7	1,104.83

(3) Cash flows:

	Cash flows from operating activities (¥ millions)	Cash flows from investing activities (¥ millions)	Cash flows from financing activities (¥ millions)	Cash and cash equivalents at end of period (¥ millions)
Third quarter ended September 30, 2008	87,867	(100,755)	18,834	94,772
Third quarter ended September 30, 2007	77,972	(54,282)	(22,140)	87,927
Year ended December 31, 2007	114,585	(269,621)	121,555	52,307

2. Dividends

Record date	Dividends per share		
	Interim (¥)	Year-end (¥)	Total (Annual) (¥)
Year ended December 31, 2007	9.00	12.00	21.00
Year ending December 31, 2008 (Actual)	11.50	-	
Year ending December 31, 2008 (Forecast)	-	11.50	23.00

3. Forecast of consolidated business results for the current fiscal year [Reference] (January 1, 2008 - December 31, 2008)

	Sales (¥ millions)	Percentage change (%)	Operating income (¥ millions)	Percentage change (%)	Ordinary income (¥ millions)	Percentage change (%)
Year ending December 31, 2008	2,320,000	28.8	145,000	20.2	118,000	(4.4)

	Net income (¥ millions)	Percentage change (%)	Net income per share (¥)
Year ending December 31, 2008	104,000	55.9	108.98

Note: Percentage change compares forecast results with those of the period of the previous year.

4. Others (January 1, 2008 - December 31, 2008)

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries accompanying change in scope of consolidation): Yes

(2) Adoption of simple methods in accounting policies: Yes

(3) Changes in accounting policies: Yes

For details, please refer to 6. OTHER of "QUALITATIVE INFORMATION AND FINANCIAL STATEMENTS, ETC." on page 8.

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

The above forecast for the fiscal year ending December 31, 2008 has been revised after reviewing the figures announced on August 4, 2008. Please refer to page 8 for the assumptions and other matters related to the forecast of consolidated business results provided herein.

QUALITATIVE INFORMATION AND FINANCIAL STATEMENTS, ETC.

1. CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2008

Note: All comparisons are with the first nine months of 2007 unless stated otherwise

The Japanese economy continued to show signs of slowing during the third-quarter period, impacted by factors such as high energy and raw material prices that had a restraining effect on capital investment and personal consumption. The slowdown of the global economy contributed to a significant slowing of export growth. There appears to be a real risk that domestic demand will decrease further as the domestic economy weakens as the slowdown in the global economy becomes entrenched. The state of the international financial markets also remains a cause for concern.

Consolidated sales for the nine-month period increased, despite a significant impact from high energy and raw material costs. Key factors contributing to the increased sales included the consolidation of Kyowa Hakko Kogyo Co., Ltd. (with the merger of Kyowa Hakko and Kirin Pharma on October 1, 2008 giving rise to the new entity Kyowa Hakko Kirin Co., Ltd.) and National Foods Limited ("National Foods"), along with strong sales at consolidated subsidiary Lion Nathan in Australia. Operating income also increased, with factors such as the consolidation of Kyowa Hakko and strong performance at Lion Nathan compensating for lower earnings in the Soft Drinks and Foods segment.

Kirin Holdings Company, Limited: Consolidated 2008 interim results

Consolidated sales	¥1,695.9 billion, up 28.0%
Consolidated operating income	¥103.8 billion, up 15.3%
Consolidated ordinary income	¥86.8 billion, down 6.9%
Consolidated net income	¥95.6 billion, up 103.3%

From the first quarter of 2008, Kyowa Hakko became an equity method affiliate as a result of a tender offer implemented between October 31, 2007 and December 6, 2007 under which Kirin acquired ordinary shares of Kyowa Hakko. As a result of these share acquisitions, along with a share exchange between Kyowa Hakko and Kirin Pharma undertaken on April 1, 2008, Kirin has acquired 50.1% of Kyowa Hakko, and Kyowa Hakko became a consolidated subsidiary of Kirin from the second quarter of 2008.

It should be noted that from the current fiscal year, foods, health foods, functional foods and other such products have been shifted from the Others business segment to the Soft Drinks business segment, and the Soft Drinks segment has been renamed the Soft Drinks and Foods business segment. The Soft Drinks and Foods segment includes such operating businesses as Kirin Beverage, Australian consolidated subsidiary National Foods, Kirin Yakult NextStage Co., Ltd., and Kirin Food-Tech Company, Limited (Kirin Food-Tech™).

Segmental results were as follows:

Alcohol Beverages Business

During the period under review we continued to develop our operations as a comprehensive alcohol beverages group, and took further alliance initiatives in product development, sales and distribution between Kirin Brewery and Mercian Corporation. We also continued to implement cost-cutting measures along all parts of the value chain from procurement to marketing, in response to the increase in input costs.

At Kirin Brewery we pursued our product strategy for the year of strengthening our core products, building presence in low-carbohydrate products, and increasing overall sales, and achieved measurable progress.

In the combined market for beer, happo-shu and new genre, Kirin's sales were affected by factors such as poor weather and price rises implemented by various breweries, and cumulative sales volumes in this category for the first nine months of the year were 3.8% lower than in the previous year. Compared to the first half of the year, however, the decline in sales for the three-month period of July, August and September was smaller. Beer sales volumes decreased 14.3%, impacted by factors such as the absence of new product launches that boosted results in the previous year. Sales volumes of happo-shu declined 0.2%, which was nonetheless represented a significant out-performance of the overall happo-shu market. Contributing to this solid result was the higher-than-planned sales of our non-carbohydrate¹ *KIRIN ZERO* launched in February, for which we increased our annual sales target from four million cases to six million cases soon after launch, with a subsequent further revision to seven million cases. Our overall sales in the low-calorie market,

¹ Japan's nutritional labeling standards define a low-calorie beverage as a beverage containing less than 20 kilocalories per 100ml, and a non-carbohydrate beverage as one that contains less than 0.5g carbohydrates per 100ml.

which includes *KIRIN ZERO*, *Tanrei Green Label*, and *Tanrei Alpha*, have increased by more than 25% and are driving the low-calorie market. In the new genre category, where the market continues to expand, sales of *Kirin Nodogoshi Nama* continued to grow, supported by the gravitation of consumers to core brands, while sales of new product *KIRIN Smooth*, launched in September, reached 730,000 cases in the month of launch, more than half the sales volume target of 1.6 million cases for the year. In combination with other products such as *Kirin Sparkling Hop*, total year-to-date sales volumes of our new genre products have increased by 10.4%, significantly higher than in the first nine months of the previous year.

In the RTD (Ready to Drink) market, we presented a new value proposition in our *Hyoketsu* brand with the July launch of *Kirin Chu-hi Hyoketsu ZERO*, a zero-calorie product that has produced good sales. Sales of new product *Kirin Chu-hi Hyoketsu Lemon STRONG*, which was launched in May, have exceeded targets, and we increased the annual sales volume target from 1.25 million cases to 3.35 million cases, as well as launching *Grapefruit STRONG* in September. As a result of the favorable sales in the enhanced *Kirin Chu-hi Hyoketsu* range, Kirin Brewery's overall sales volumes of RTD products increased 3.6%.

At Mercian Corporation, the company is in the first year of a medium-term business plan that has the aims of maximizing group synergies and becoming the strong number one in wine and processing liquors.

Total year-to-date sales at Mercian of both domestic and imported wines have performed well, with volumes exceeding the industry average. Moreover, sales of domestic and imported wine, particularly daily wine, trended favorably in the three months of the third quarter, despite the negative consumer sentiment brought about by a temporary spike in oil prices, a succession of food price increases and a general cooling of the economy that had a particular impact on the commercial wine market. This solid result was also achieved despite particularly severe competition in the market for mid-to-high price point wines. Contributing to this favorable outcome was the further bedding in of wine merchandizing activities with Kirin Merchandizing Co., Ltd., a subsidiary that specializes in creating sales displays at volume retailers, along with the success of specific efforts to increase sales activities commercial premises. In processing liquors, where high oil prices and other raw material costs have contributed to market weakness amid a severe external environment, total sales of mirin (sweet cooking sake), fermented seasonings and processing wine decreased. Sales of alcohol formulae for sanitation purposes increased compared to the same period of the previous year, supported by heightened awareness of safety and security in the food industry.

In our overseas alcohol beverages business, third quarter sales and operating income at our consolidated subsidiary Lion Nathan in Australia continued to show sound performance, supported by the consolidation from January 2008 of J. Boag, and further progress in profitability with its shift to the premium beer segment. Sales volumes in China decreased, with only limited benefit from the Olympic Games and the competitive environment remaining severe.

Consolidated sales in the Alcohol Beverages Business declined slightly for the nine-month period, mainly due to lower sales volumes of beer and happo-shu at Kirin Brewery, and despite strong performance at Lion Nathan. Operating income increased, however, due to implementation of price rises and a reduction in sales and marketing expenses by Kirin Brewery, the contribution from Lion Nathan in Australia, and a change in the method by which group administration costs are allocated.

Alcohol Beverages Business: 2008 third -quarter results (January—September)

Consolidated sales	¥864.3 billion, down 0.3%
Consolidated operating income	¥83.0 billion, up 20.2%

Soft Drinks and Foods Business

At Kirin Beverage Corporation, sales have trended favorably, supported by product renewals during the third quarter of core domestic canned coffee brand *Kirin FIRE* and the launch of a new product *Kirin FIRE African*, along with good sales of *Kirin Gogono-Kocha* since its renewal in April. As a result, domestic sales volumes increased 1.0%. In overseas markets, meanwhile, sales in China of the 500ml PET bottle *Kirin Gogono-Kocha Milk Tea* beverage remained strong, contributing to higher total sales volume for the year to date.

The overall outcome for Kirin Beverage was that revenues increased. Operating income declined, however, with progress in reducing manufacturing costs and developing a more profitable container mix not sufficient to offset an accelerating impact on profitability from higher input costs. Higher marketing costs in order to maintain consumer presence in the intensely competitive market also put pressure on margins.

At National Foods, in Australia, business was impacted by higher raw material costs concomitant with the continuing

drought situation from the second half of last year, along with higher global demand for milk powder. Distribution costs also increased as oil prices rose, with a significant impact on earnings. As a result of revising product prices to reflect cost increases, a shift to lower-priced products became evident among consumers, and the overall outcome was that sales revenues increased and earnings decreased for the period.

In August, National Foods was named as the successful bidder to acquire all shares in Dairy Farmers, a major fresh dairy company in Australia, and formed a basic agreement for the acquisition. The sale agreement is subject to the approval of a certain percentage of Dairy Farmer shareholders. If the acquisition proceeds as planned, National Foods will secure the strong product brands and distribution channels of Dairy Farmers, and will aim to reduce costs and boost profitability through infrastructure integration and the development of a stable supply of raw dairy product.

At Kirin Food-Tech, preparations have been continuing for the planned April 2009 integration of its foods business with Kyowa Hakko Food Specialties Co., Ltd., after which the resulting company will be named Kirin Kyowa Foods Company, Limited. Product development during the period under review included the launch of *Cafino*, a non-calorie sweetener for home use. Overseas, operations began from July at our 100% subsidiary Kirin Food-Tech Shanghai Co., Ltd. in Shanghai, China.

At Kirin Yakult Next Stage, overall sales revenues declined, with favorable sales of new products unable to offset weak sales of *Lieta Drink*.

Concomitant with the consolidation of Kyowa Hakko into Kirin Group from the second quarter of the year, the foods business of Kyowa Hakko has been included in the sales and operating income of Kirin's Soft Drinks and Foods business segment. Results at Kyowa Hakko's foods business for the period under review were slightly lower in the main product area of seasonings, negatively influenced by factors such as higher raw material costs and weaker overall demand in the processed foods industry. Sales of bread ingredients were lower, partly reflecting the withdrawal of certain product from sale due to high raw material costs, although earnings increased as a result of the contribution of new bakery ingredient *Sofutto* and progress made in developing a more profitable product structure.

Consolidated sales in the Soft Drinks and Foods business increased, supported by the consolidation of National Foods and Kyowa Hakko and higher sales volumes at Kirin Beverage. Operating income declined, however, due to lower earnings at Kirin Beverage, along with the recording of goodwill and brand amortization expenses accompanying the acquisition of National Foods in Australia.

Soft Drinks and Foods Business: 2008 third-quarter results (January—September)

Consolidated sales	¥544.1 billion, up 52.0%
Consolidated operating income	¥0.5 billion, down 95.6%

Pharmaceuticals Business

From the second quarter of the year Kirin's existing pharmaceuticals business became part of Kyowa Hakko, and Kyowa Hakko in turn became a consolidated subsidiary of Kirin. Accordingly, from the second quarter of 2008 the results of Kirin's Pharmaceuticals business segment have included the results of Kirin Pharma and Kyowa Hakko. In October 2008 the two companies merged to form a new company Kyowa Hakko Kirin Co., Ltd., and from the fourth quarter of 2008 results for Kirin's Pharmaceuticals Business will be disclosed under the name of this new company.

Sales at Kyowa Hakko trended favorably compared to the previous year, with higher sales of core products such as antiallergic medicine *ALLELOCK* and antiallergic eye drop *Patanol*, and a one-off contract payment for the outlicensing to Amgen of anti-CCR4 humanized monoclonal antibody KW-0761.

At Kirin Pharma, which is a subsidiary of Kyowa Hakko, an active program was undertaken to provide information relating to core anemia medicines *NESP®* and *ESPO*. However, sales decreased, reflecting lower sales volumes in the first quarter of the year and a reduction in the monetary value of the overall market due to NHI price revisions. In January 2008 we launched *REGPARA* Tablets, a treatment for secondary hyperparathyroidism during maintenance dialysis, and began promoting this product in the market. In overseas business, sales of main products in the Asian region progressed favorably.

Consolidated sales and operating income in the pharmaceuticals business both increased, primarily due to the consolidation of Kyowa Hakko.

Pharmaceuticals Business: 2008 third-quarter results (January—September)

Consolidated sales	¥119.0 billion, up 142.6%
Consolidated operating income	¥17.5 billion, up 108.2%

Other Businesses

From the second quarter of the year Kyowa Hakko became a consolidated subsidiary of Kirin, and its bio-chemicals business and chemicals business have been included in the sales and operating income of Kirin's Other Businesses business segment.

In Kyowa Hakko's bio-chemical business, sales of amino acids for medical and industrial use trended favorably, particularly overseas for use in infusions and pharmaceutical raw material, although negative changes in exchange rates meant that revenues increased only slightly. In Kyowa Hakko's chemicals business, sales revenues increased, supported by price rises implemented for core products because of higher raw material and energy costs.

In agribio business, shipments of our original potato brand *Cynthia* were strong, and business performance in overseas regions was also sound.

Consolidated sales and operating income in other businesses both increased, primarily due to the consolidation of Kyowa Hakko.

Other Businesses: 2008 third-quarter results (January—September)

Consolidated sales	¥168.4 billion, up 226.4%
Consolidated operating income	¥14.1 billion, up 181.5%

2. FINANCIAL POSITION

Total assets as of September 30, 2008 stood at ¥2,734.0 billion, an increase of ¥686.3 billion, or 33.5%, compared to one year earlier. Current assets increased ¥170.9 billion to ¥800.0 billion. Fixed assets also increased, with tangible fixed assets climbing ¥194.1 billion, and intangible fixed assets climbing ¥326.0 billion due to goodwill and other factors. These increases were mainly attributable to the acquisition of shares in Kyowa Hakko and National Foods.

Total liabilities as of September 30, 2008 stood at ¥1,463.8 billion, an increase of ¥505.1 billion, or 52.7%, compared to one year earlier. In addition to an increase in short-term loans of ¥60.9 billion and an increase in long-term loans of ¥152.0 billion concomitant with the acquisitions noted above, new bond issues increased bond liabilities by ¥189.3 billion.

Net assets as of September 30, 2008 stood at ¥1,270.2 billion, an increase of ¥181.1 billion, or 16.6%, compared to one year earlier. Retained earnings increased by ¥92.8 billion compared to the increase of net income recorded from the same period in the previous year, but net unrealized holding gain on securities decreased by ¥57.3 billion due to a fall in the value of investment securities held by Kirin, and foreign currency translation adjustments decreased by ¥42.8 billion. Minority interests increased ¥187.8 billion, primarily due to the consolidation of Kyowa Hakko.

Cash flows from operating activities

Net cash provided by operating activities was ¥87.8 billion, ¥9.8 billion higher than in the third quarter period ended September 30, 2007. Income before income taxes and others increased ¥68.8 billion, concomitant with an increase in consolidated subsidiaries, and working capital increased by ¥13.8 billion due to changes in items such as notes and accounts receivable, inventories, notes and accounts payable and liquor taxes payable. Gain on change in equity increased ¥72.6 billion and income taxes paid increased ¥7.7 billion.

Cash flows from investing activities

Net cash used in investing activities was ¥100.7 billion, ¥46.4 billion more than in the third-quarter period ended September 30, 2007. Outflows for the purchases of fixed assets increased ¥46.7 billion to ¥93.0 billion due mainly to capital investment in the alcohol beverages business. Outflows of ¥32.2 billion were recorded for the acquisition of shares in subsidiaries accompanying changes in the scope of consolidation. The sale of fixed assets produced cash inflow of ¥23.3 billion, and the sale of marketable securities and investment securities generated proceeds of ¥4.5 billion.

Cash flows from financing activities

Financing activities produced a net cash inflow of ¥18.8 billion, an increase of ¥40.9 billion compared to the third-quarter period ended September 30, 2007. Bond issuance resulted in cash inflows of ¥199.9 billion. Reduction of debt and payment of cash dividends resulted in outflows of ¥136.8 billion and ¥38.6 billion respectively.

Consolidated cash and cash equivalents ("cash") totaled ¥94.7 billion as of September 30, 2008, an increase of ¥42.4 billion compared to December 31, 2007.

3. FULL-YEAR FORECASTS

Kirin Group's consolidated forecasts for the year ending December 31, 2008 have been revised, taking into account foreign currency exchange rates as of September 30, 2008 and in consideration of business performance to date. Further information on the impact of foreign exchange rates can be found on page 29, 6.Effect of Exchange Rates on Forecasts of Consolidated Business Results.

Revised Full-year Consolidated Forecasts for 2008

Consolidated sales	¥2,320.0 billion, up 28.8%
Consolidated operating income	¥145.0 billion, up 20.2%
Consolidated ordinary income	¥118.0 billion, down 4.4%
Consolidated net income	¥104.0 billion, up 55.9%

4. INFLUENCE OF SEASONAL FACTORS

Sales of Kirin Group's core alcohol beverages and soft drinks are subject to change with the seasons, as demand peaks in summer.

5. NOTE CONCERNING FORECASTS

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 November 4, 2008. 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.

6. OTHER

- (1) **Changes in significant subsidiaries during the period** (changes in specified subsidiaries accompanying change in scope of consolidation):

Added: 1 company; Kyowa Hakko Kogyo Co, Ltd.

Removed: Nil.

- (2) **Adoption of simple methods in accounting policies:**

Tax payments are recorded using the estimated effective tax rate method.

- (3) **Changes in accounting policies:**

Segment information: New operating segments to report segment information have been adopted since the first quarter of 2008. For details, please refer to page 16, CHANGES IN CLASSIFICATION OF BUSSINESS SEGMENT.

- (4) **Changes in disclosure method**

Quarterly consolidated balance sheets: Life insurance investments, which were recorded separately in the previous third-quarter period, are now included as part of Other in Investments and other assets, due to a reduction in materiality.

Quarterly consolidated statements of income: Foreign currency translation loss have been itemized, as the amount exceeds 10% of total non-operating expenses.

Quarterly Statements of cash flows: Payment of loans receivable, Collection of loans receivable, and Proceeds from cancellation of life insurance investments, which were itemized in the previous third-quarter statements, have been included in Cash flows from investing activities—Other, due to a reduction in materiality.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER
CONSOLIDATED BALANCE SHEETS

(¥ millions)

ASSETS	At		At		Increase (Decrease)	At	
	September 30, 2007		September 30, 2008			December 31, 2007	
	Amount	Percentage over total assets	Amount	Percentage over total assets		Amount	Percentage over total assets
Current Assets							
Cash	90,509		86,292		(4,217)	55,009	
Notes and accounts receivable, trade	314,063		382,201		68,138	361,127	
Marketable securities	301		14,815		14,514	246	
Inventories	140,448		229,658		89,210	148,649	
Other	86,782		89,186		2,404	72,097	
Allowance for doubtful accounts	(3,069)		(2,130)		939	(2,500)	
Total Current Assets	629,036	30.7	800,024	29.3	170,988	634,629	25.7
Fixed Assets							
Property, Plant and Equipment							
Buildings and structures	195,436		232,100		36,664	203,103	
Machinery, equipment and vehicles	178,303		219,704		41,401	197,053	
Land	157,346		238,444		81,098	158,558	
Construction in progress	33,194		63,864		30,670	35,437	
Other	41,688		46,006		4,318	41,809	
Total	605,969		800,120		194,151	635,963	
Intangible Assets							
Goodwill	96,003		363,538		267,535	258,780	
Other	65,781		124,316		58,535	128,134	
Total	161,785		487,854		326,069	386,915	
Investments and Other Assets							
Investment securities	566,751		527,452		(39,299)	712,234	
Life insurance investments	14,577		-		(14,577)	-	
Other	72,967		122,890		49,923	102,809	
Allowance for doubtful accounts	(3,354)		(4,301)		(947)	(2,884)	
Total	650,942		646,040		(4,902)	812,160	
Total Fixed Assets	1,418,696	69.3	1,934,016	70.7	515,320	1,835,038	74.3
TOTAL ASSETS	2,047,733	100.0	2,734,041	100.0	686,308	2,469,667	100.0

(¥ millions)

LIABILITIES	At September 30, 2007		At September 30, 2008		Increase (Decrease) Amount	At December 31, 2007	
	Amount	Percentage over total assets	Amount	Percentage over total assets		Amount	Percentage over total assets
Current Liabilities							
Notes and accounts payable, trade	117,718		188,846		71,128	139,255	
Short-term loans payable and long-term debt with current maturities	31,272		92,203		60,931	404,725	
Reserves	4,539		14,646		10,107	7,765	
Bonds due within one year	-		44,249		44,249	-	
Liquor taxes payable	112,873		67,352		(45,521)	108,260	
Income taxes payable	20,826		24,257		3,431	31,958	
Accrued expenses	87,423		99,345		11,922	105,216	
Deposits received	17,191		20,025		2,834	17,286	
Other	68,448		89,296		20,848	77,293	
Total Current Liabilities	460,294	22.5	640,223	23.4	179,929	891,760	36.1
Long-term Liabilities							
Bonds	100,250		245,302		145,052	92,831	
Long-term debt	125,507		277,548		152,041	112,244	
Employees' pension and retirement benefits	59,096		81,486		22,390	60,188	
Other reserves	10,666		6,641		(4,025)	6,977	
Deposits received	70,059		67,088		(2,971)	69,644	
Other	132,817		145,532		12,715	136,465	
Total Long-term Liabilities	498,398	24.3	823,599	30.1	325,201	478,351	19.4
TOTAL LIABILITIES	958,693	46.8	1,463,822	53.5	505,129	1,370,111	55.5

(¥ millions)

NET ASSETS	At September 30, 2007		At September 30, 2008		Increase (Decrease) Amount	At December 31, 2007	
	Amount	Percentage over total assets	Amount	Percentage over total assets		Amount	Percentage over total assets
Shareholders' Equity							
Common stock	102,045	5.0	102,045	3.7	-	102,045	4.1
Capital surplus	71,308	3.5	71,475	2.6	167	71,353	2.9
Retained earnings	761,826	37.2	854,704	31.3	92,878	781,499	31.6
Treasury stock, at cost	(27,904)	(1.4)	(29,073)	(1.0)	(1,169)	(28,170)	(1.1)
Total Shareholders' Equity	907,276	44.3	999,153	36.6	91,877	926,727	37.5
Valuation and Translation Adjustments							
Net unrealized holding gains on securities	136,680	6.7	79,299	2.9	(57,381)	124,743	5.1
Deferred gains or losses on hedges	232	0.0	1,728	0.1	1,496	370	0.0
Land revaluation difference	(4,713)	(0.2)	(4,713)	(0.2)	-	(4,713)	(0.2)
Foreign currency translation adjustments	7,878	0.4	(34,974)	(1.3)	(42,852)	7,683	0.3
Total Valuation and Translation Adjustments	140,078	6.9	41,340	1.5	(98,738)	128,083	5.2
Subscription rights to shares	-	-	169	0.0	169	-	-
Minority interests	41,685	2.0	229,556	8.4	187,871	44,744	1.8
TOTAL NET ASSETS	1,089,040	53.2	1,270,218	46.5	181,178	1,099,555	44.5
TOTAL LIABILITIES AND NET ASSETS	2,047,733	100.0	2,734,041	100.0	686,308	2,469,667	100.0

CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Third quarter ended September 30, 2007		Third quarter ended September 30, 2008		Increase (Decrease) Amount	Year ended December 31, 2007	
	Amount	Percentage over sales	Amount	Percentage over sales		Amount	Percentage over sales
Sales	1,325,344	100.0	1,695,930	100.0	370,586	1,801,164	100.0
Cost of sales	792,757	59.8	1,020,334	60.2	227,577	1,078,614	59.9
Gross profit	532,587	40.2	675,595	39.8	143,008	722,550	40.1
Selling, general and administrative expenses	442,544	33.4	571,733	33.7	129,189	601,942	33.4
Operating income	90,042	6.8	103,862	6.1	13,820	120,608	6.7
Non-operating income							
Interest income	1,001		1,935			1,971	
Dividend income	2,985		3,920			5,292	
Equity in earnings of affiliates	9,885		9,755			10,282	
Other	3,618		5,736			5,548	
Total	17,490	1.3	21,348	1.3	3,858	23,094	1.3
Non-operating expenses							
Interest expense	8,902		19,261			12,618	
Foreign currency translation loss	-		14,816			-	
Other	5,418		4,308			7,694	
Total	14,320	1.1	38,386	2.3	24,066	20,312	1.1
Ordinary income	93,212	7.0	86,824	5.1	(6,388)	123,389	6.9
Special income							
Gain on sale of fixed assets	3,011		10,314			19,728	
Reversal of allowance for doubtful accounts	143		304			687	
Gain on sale of investment securities	384		249			653	
Gain on change in equity	-		72,654			-	
Gain on sale of shares of subsidiaries and affiliates	183		-			184	
Reversal of other reserves	64		-			62	
Gain on transfer of real estate in trust	-		-			1,089	
Total	3,787	0.3	83,522	4.9	79,735	22,404	1.2
Special expenses							
Loss on disposal of fixed assets	2,149		3,488			5,578	
Loss on sale of fixed assets	89		127			564	
Loss on impairment	-		1,931			2,361	
Loss on devaluation of investment securities	-		288			230	
Loss on sale of investment securities	8		606			14	
Business restructuring expense	28		444			3,878	
Expenses for integration of subsidiaries and affiliates	-		1,895			-	
Non-recurring depreciation on fixed assets	-		762			-	
Loss on sale of shares of subsidiaries and affiliates	1,731		-			1,731	
Loss of equity method investments	-		-			1,929	
General interest charge of income taxes for prior years in a foreign subsidiary	1,082		-			1,092	
Total	5,089	0.4	9,544	0.6	4,455	17,380	1.0
Income before income taxes and minority interests	91,910	6.9	160,803	9.5	68,893	128,413	7.1
Income taxes	39,143	3.0	50,949	3.0	11,806	52,355	2.9
Income taxes for prior years	(1,992)	(0.2)	-	-	1,992	(2,011)	(0.1)
Minority interests	7,718	0.6	14,215	0.8	6,497	11,355	0.6
Net income	47,041	3.6	95,638	5.6	48,597	66,713	3.7

CONSOLIDATED STATEMENTS OF CASH FLOWS

(¥ millions)

	Third quarter ended September 30, 2007	Third quarter ended September 30, 2008	Increase (Decrease)	Year ended December 31, 2007
Cash flows from operating activities				
Income before income taxes and minority interests	91,910	160,803	68,893	128,413
Depreciation and amortization	52,941	68,965	16,024	71,913
Increase (decrease) in reserves	(2,484)	6,458	8,942	(2,717)
Interest and dividend income	(3,986)	(5,855)	(1,869)	(7,263)
Interest expense	8,902	19,261	10,359	12,618
Gain on change in equity	-	(72,654)	(72,654)	-
Decrease (increase) in notes and accounts receivable, trade	11,655	87,406	75,751	(3,205)
Decrease (increase) in inventories	(16,629)	(21,320)	(4,691)	(10,439)
Increase (decrease) in notes and accounts payable, trade	7,602	(1,658)	(9,260)	5,076
Increase (decrease) in liquor taxes payable	3,762	(44,231)	(47,993)	(57)
Increase (decrease) in consumption taxes payable	2,148	(5,824)	(7,972)	7,942
Other	(19,318)	(28,201)	(8,883)	(24,364)
Sub-total	136,503	163,147	26,644	177,917
Interest and dividend received	7,061	8,556	1,495	10,472
Interest paid	(7,803)	(18,257)	(10,454)	(11,629)
Income taxes paid	(57,788)	(65,579)	(7,791)	(62,175)
Net cash provided by (used in) operating activities	77,972	87,867	9,895	114,585
Cash flows from investing activities				
Payment for purchases of property, plant and equipment and intangible assets	(46,318)	(93,046)	(46,728)	(66,873)
Proceeds from sale of property, plant and equipment and intangible assets	5,527	23,310	17,783	24,747
Payment for purchases of marketable securities and investment securities	(15,128)	(2,007)	13,121	(183,787)
Proceeds from sale and redemption of marketable securities and investment securities	8,287	4,505	(3,782)	9,194
Payment for purchases of shares of subsidiaries	(5,275)	(1,907)	3,368	(6,648)
Payment for acquisition of shares of newly consolidated subsidiaries	-	(32,206)	(32,206)	(70,589)
Proceeds from acquisition of shares of newly consolidated subsidiaries	-	1,880	1,880	-
Payment of loans receivable	(37,799)	-	37,799	(38,052)
Collection of loans receivable	13,657	-	(13,657)	38,208
Proceeds from cancellation of life insurance investments	23,232	-	(23,232)	23,232
Other	(464)	(1,284)	(820)	946
Net cash provided by (used in) investing activities	(54,282)	(100,755)	(46,473)	(269,621)

(¥ millions)

	Third quarter ended September 30, 2007	Third quarter ended September 30, 2008	Increase (Decrease)	Year ended December 31, 2007
Cash flows from financing activities				
Increase (decrease) in short-term loans payable	9,621	(246,365)	(255,986)	310,909
Proceeds from long-term debt	20,031	181,262	161,231	18,139
Repayment of long-term debt	(22,746)	(71,702)	(48,956)	(177,758)
Proceeds from issue of bonds	-	199,934	199,934	-
Payment for redemption of bonds	-	(5,958)	(5,958)	-
Payment for purchase of treasury stock	(755)	(1,081)	(326)	(1,711)
Proceeds from sale of treasury stock	222	300	78	576
Cash dividends paid	(17,186)	(22,434)	(5,248)	(17,208)
Cash dividends paid to minority shareholders	(12,554)	(16,229)	(3,675)	(12,554)
Other	1,226	1,108	(118)	1,162
Net cash provided by (used in) financing activities	(22,140)	18,834	40,974	121,555
Effect of exchange rate fluctuation on cash and cash equivalents	(210)	(7,222)	(7,012)	(740)
Net increase (decrease) in cash and cash equivalents	1,338	(1,276)	(2,614)	(34,222)
Cash and cash equivalents at beginning of year	86,588	52,307	(34,281)	86,588
Net increase (decrease) in cash and cash equivalents from new consolidation/de-consolidation of subsidiaries	-	43,740	43,740	(58)
Cash and cash equivalents at end of period	87,927	94,772	6,845	52,307

SEGMENT INFORMATION

Business segment information

(¥ millions)

Third quarter ended September 30, 2007							
	Alcohol Beverages	Soft Drinks	Pharmaceuticals	Others	Total	Eliminations or Corporate	Consolidated
Sales							
Unaffiliated customers	866,790	311,337	49,070	98,146	1,325,344	-	1,325,344
Inter-segment	25,737	44	-	16,441	42,224	(42,224)	-
Total sales	892,528	311,381	49,070	114,588	1,367,568	(42,224)	1,325,344
Operating expenses	823,434	296,247	40,634	111,427	1,271,744	(36,442)	1,235,301
Operating income	69,093	15,133	8,435	3,161	95,824	(5,781)	90,042

Business segments are classified based on business management framework in consideration of the type and nature of products.

Main products by each business segment are as follows:

Business segment	Main products
Alcohol beverages	Beer, sparkling malt liquor (<i>happo-shu</i>), new genre, whiskey, spirits, wine, engineering, logistics, etc.
Soft drinks	Soft drinks and other drinks
Pharmaceuticals	Pharmaceutical products
Others	Health foods & functional foods, floriculture, etc.

Unallocable operating expenses included in "Eliminations or Corporate" amount to ¥6,403 million, mainly consisting of ¥4,441 million for Group administrative expenses due to the Company's transfer to a pure holding company and ¥1,962 million for research and development of basic technologies.

Due to the transfer of the Company into a pure holding company, from this third quarter consolidated accounting period, general corporate expenses, which were allocated to each segment based on sales criteria, are included in Eliminations or Corporate as Group administrative expenses of the Company.

CHANGES IN CLASSIFICATION OF BUSINESS SEGMENT

The Company introduced the pure holding company system on July 1, 2007, and implemented a restructuring of the Group's management structure.

In governing the Group, clarification of the roles and responsibilities between the holding company and the operating companies will be made and the independence and mobility of each operating company will also be enhanced, while the holding company seeks to achieve a quantum leap in growth and create a group premium.

Accordingly, the Company changed its method of business segment classification and classified them "based on business management framework in consideration of the type and nature of products" in view of the new management structure, as business segments had previously been classified "in consideration of the type and nature of products".

Due to this change, the businesses of engineering, logistics, etc., which had been included in the "Others" segment, have been reclassified into the "Alcohol beverages" segment from this third quarter consolidated accounting period, as these businesses are managed as ancillary businesses closely connected with the alcohol beverages business.

(¥ millions)

Third quarter ended September 30, 2008							
	Alcohol Beverages	Soft Drinks and Foods	Pharmaceuticals	Others	Total	Eliminations or Corporate	Consolidated
Sales							
Unaffiliated customers	864,328	544,134	119,049	168,417	1,695,930	-	1,695,930
Inter-segment	25,333	3,255	277	24,221	53,088	(53,088)	-
Total sales	889,661	547,390	119,327	192,638	1,749,018	(53,088)	1,695,930
Operating expenses	806,640	546,804	101,767	178,501	1,633,713	(41,645)	1,592,068
Operating income	83,021	585	17,560	14,137	115,305	(11,442)	103,862

Business segments are classified based on business management framework in consideration of the type and nature of products.

Main products by each business segment are as follows:

Business segment	Main products
Alcohol beverages	Beer, sparkling malt liquor (<i>happo-shu</i>), new genre, whiskey, spirits, wine, engineering, logistics, etc.
Soft drinks and Foods	Soft drinks, other drinks, foods, health foods & functional foods, etc.
Pharmaceuticals	Pharmaceutical products
Others	Biochemical, chemical, floriculture, etc.

Unallocable operating expenses included in "Eliminations or Corporate" amount to ¥12,450 million, mainly consisting of ¥10,264 million for Group administrative expenses due to the Company's transfer to a pure holding company and ¥2,186 million for research and development of basic technologies.

CHANGES IN CLASSIFICATION OF BUSINESS SEGMENT

The Company acquired all outstanding shares in National Foods Limited, a dairy and beverage producer in Australia, at the end of the previous fiscal year, expanding business locations in the areas of food and health; seizing this opportunity to begin a new strategy to "develop health food and functional food business leveraging group synergies" as one of Kirin Group's management policies for the fiscal year. Under this strategy the Company has defined the domain identity of the health food and functional food business as "all foods that customers consciously consume for health reasons" and make efforts to strengthen this business Group-wide between companies that handle food materials—including soft drinks, dairy products, functional foods, and seasonings businesses.

In accordance with this revision of the group's management structure, from this first quarter consolidated accounting period the businesses of food, health food and functional food etc., which had been included in the "Others" segment, have been reclassified into the "Soft Drinks" segment, as these businesses are managed as a package with the soft drinks business. And during this same time, the "Soft Drinks" segment was renamed "Soft Drinks and Foods."

For reference, business segment information for the previous third quarter consolidated accounting period that shows the business classification to conform to this third quarter consolidated accounting period is provided below:

(¥ millions)

Third quarter ended September 30, 2007							
	Alcohol Beverages	Soft Drinks and Foods	Pharmaceuticals	Others	Total	Eliminations or Corporate	Consolidated
Sales							
Unaffiliated customers	866,790	357,886	49,070	51,597	1,325,344	-	1,325,344
Inter-segment	25,737	949	-	15,812	42,499	(42,499)	-
Total sales	892,528	358,835	49,070	67,410	1,367,844	(42,499)	1,325,344
Operating expenses	823,434	345,562	40,634	62,388	1,272,020	(36,718)	1,235,301
Operating income	69,093	13,273	8,435	5,021	95,824	(5,781)	90,042

Supplementary Documents to the Financial Statements for the Third Quarter Ended September 30, 2008

1. Results of Operations
2. Sales Details
3. Profit Breakdown for the Third Quarter (Actual)
4. Major Expenses and Others
5. Major Fluctuations of Balance Sheets

(Reference Material)

1. Guide to Kirin Group Consolidated Financial Indices
2. Results of Operations by Major Companies (Consolidated)
3. Sales Details of Alcohol Beverages
(Kirin Brewery Company, Limited)
4. Sales Details of Soft Drink Beverages (Kirin Beverage Group)
5. Sales Details of Pharmaceuticals (KYOWA HAKKO KOGYO CO.,
LTD. and Kirin Pharma Company, Ltd.)
6. Effect of Exchange Rates on Forecasts of Consolidated Business
Results

KIRIN HOLDINGS COMPANY, LIMITED

November 4, 2008

1. Results of Operations

(¥ billions)

	2007				2008			
	The 3rd quarter Actual		Annual Actual		The 3rd quarter Actual		Annual Forecast	
(year-on-year rate)								
Sales	1,325.3	6.8%	1,801.1	8.1%	1,695.9	28.0%	2,320.0	28.8%
Operating income	90.0	(4.6%)	120.6	3.7%	103.8	15.3%	145.0	20.2%
Ordinary income	93.2	(4.4%)	123.3	2.1%	86.8	(6.9%)	118.0	(4.4)%
Net income	47.0	(0.6%)	66.7	24.7%	95.6	103.3%	104.0	55.9%
EBITDA	*1 155.1	(1.7%)	*1 213.1	11.5%	*2 199.6	28.6%	*2 272.5	27.9%

*1 EBITDA = Income before income taxes and minority interests + interest expense - interest and dividend income + depreciation + amortization of goodwill

*2 EBITDA = Operating income + equity in earnings of affiliates + depreciation + amortization of goodwill + special income and expenses (excluding gain on change in equity)

2. Sales Details

	2007				2008			
	The 3rd quarter Actual		Annual Actual		The 3rd quarter Actual		Annual Forecast	
Sales by business segments (year-on-year rate)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)
Total sales	1,325.3	6.8%	1,801.1	8.1%	1,695.9	28.0%	2,320.0	28.8%
Alcohol beverages	866.7	6.0%	1,189.4	8.2%	864.3	(0.3%)	1,196.0	0.5%
Beer, <i>Happo-shu</i> and New genre	714.0	0.6%	970.8	2.4%	708.3	(0.8%)	973.0	0.2%
Other alcohol beverages	128.3	56.1%	184.5	59.8%	122.9	(4.1%)	174.5	(5.4%)
Other	24.4	(3.8%)	34.0	(5.3%)	32.9	34.7%	48.5	42.3%
Soft drinks and Foods *	357.8	4.1%	474.5	3.1%	544.1	52.0%	710.0	49.6%
Pharmaceuticals	49.0	2.6%	69.9	4.0%	119.0	142.6%	171.0	144.6%
Other business *	51.5	60.2%	67.2	71.3%	168.4	226.4%	243.0	261.5%
Biochemical	-	-	-	-	39.9	-	59.0	-
Chemical	-	-	-	-	50.1	-	77.0	-
Agribio	18.4	3.7%	21.5	14.6%	17.9	(2.6%)	19.5	(9.6%)
Other	33.1	129.5%	45.6	123.6%	60.3	81.9%	87.5	91.7%

* Please refer to "SEGMENT INFORMATION" on page 16 for changes in classification of business segment in the business segment information. The actual results for fiscal year 2007 are shown in reclassified business segment.

3. Profit Breakdown for the Third Quarter (Actual)

(¥ billions)

Segment	Company Name	Major factors	Difference	Description
Alcohol beverages	Kirin Brewery	Increase in marginal profit of alcohol beverages	4.8	Sales decrease in beer (101) thousand KL, (12.0) Sales decrease in <i>happo-shu</i> (1) thousand KL, (0.1) Sales increase in new genre 40 thousand KL, 4.4 Sales increase in RTD 5 thousand KL, 0.5 Increase in marginal profit of <i>shochu</i> , whiskey, spirits and wines 0.1 Increase due to revision of prices and difference of change in products mix, etc.
		Cost reduction	1.3	Energy reduction 0.6, etc.
		Increase in raw material cost of alcohol beverages	(7.2)	Increase in price for cans and cartons (2.2) Increase in price of sugar and liquid sugar (1.8) Increase in price of malt (1.7), etc.
		Decrease in selling cost	6.8	Decrease in sales promotion and advertising expenses 6.2; beer, <i>happo-shu</i> and new genre 7.3, RTD (0.6), <i>shochu</i> , whiskey, spirits and wines (0.6), etc. Decrease in transportation cost 0.6, etc.
		Increase in other expenses	(2.6)	Increase in depreciation (1.6) Increase in electric cost and fuel cost (1.4) Increase in repair expenses (0.5), etc.
	Total		3.1	
	Mercian		0.1	(1.5) => (1.4)
	Effect of organizational change		6.4	*1
	Others		4.4	
Total			14.0	FY2007 the 3rd quarter Actual 69.0 => FY2008 the 3rd quarter Actual 83.0
Soft drinks and Foods	Kirin Beverage	Difference in volume of sales	3.3	Increase in sales volume 2.99 million cases
		Cost reduction	0.8	Improvement of production efficiency at its own factories, etc.
		Increase in raw material cost	(2.0)	
		Increase in change of composition ratio of containers, etc.	(1.0)	
		Increase in selling cost	(4.4)	Increase in sales promotion and advertising expenses (3.9) Increase in transportation cost (0.5)
		Increase in other expenses	(3.2)	Increase in depreciation cost and sales equipment cost due to increase in vending machine input (0.8) Increase in expenses due to new consolidation (1.3) Increase in information processing fee (0.5) Increase in R&D expenses (0.1), etc.
	Total		(6.5)	
	National Foods	Increase in operating income	1.0	0.0 => 1.0
Amortization of goodwill		(5.9)	0.0 => (5.9) *3	
Brand amortization		(2.1)	0.0 => (2.1) *3	
Total		(7.0)		
	Kyowa Hakko Foods		0.5	0.0 => 0.5
	Others		0.3	
Total			(12.7)	FY2007 the 3rd quarter Actual 13.2 => FY2008 the 3rd quarter Actual 0.5 *2

(¥ billions)

Segment	Major factors	Difference	Description
Pharmaceuticals	Kyowa Hakko and Kirin Pharma *4	8.7	Increase in gross profit 51.6 Increase in R&D expenses (15.5) Increase in other expenses (24.6) Amortization of goodwill (2.8)
	Effect of organizational change	0.4	*1
Total		9.1	FY2007 the 3rd quarter Actual 8.4 => FY2008 the 3rd quarter Actual 17.5
Others	Kyowa Hakko Biochemical	5.2	0.0 => 5.2
	Kyowa Hakko Chemicals	2.9	0.0 => 2.9
	Others	1.0	
Total		9.1	FY2007 the 3rd quarter Actual 5.0 => FY2008 the 3rd quarter Actual 14.1 *2
Eliminations or Corporate	Increase of unallocable operating expenses due to the organizational change	(7.0)	*1
	Others	1.3	
Total		(5.7)	FY2007 the 3rd quarter Actual (5.7) => FY2008 the 3rd quarter Actual (11.4)
Increase in operating income		13.8	FY2007 the 3rd quarter Actual 90.0 => FY2008 the 3rd quarter Actual 103.8
Non-operating income and expenses	Financial profit (loss), net	(8.5)	(4.9) => (13.4)
	Equity in earnings of affiliates	(0.1)	San Miguel (0.4) (Including elimination of unrealized gain on sale of investment securities (4.4)), Kyowa Hakko (1.2) (Including amortization of consolidation difference (1.0)), etc.
	Foreign currency transaction loss	(14.4)	(0.4) => (14.8)
	Others	2.8	
Total		(20.2)	
Decrease in ordinary income		(6.4)	FY2007 the 3rd quarter Actual 93.2 => FY2008 the 3rd quarter Actual 86.8
Special income and expenses	Gain on sale of fixed assets	7.3	
	Gain on change in equity	72.6	Share exchange with Kyowa Hakko
	Loss on impairment	(1.9)	
	Expenses for integration of subsidiaries and affiliates	(1.8)	Integration of Kyowa Hakko and Kirin Pharma
	Others	(1.0)	
Total		75.2	
Income taxes and minority interests	Income taxes	(11.8)	
	Income taxes for prior years	(1.9)	Lion Nathan
	Minority interests	(6.5)	
Total		(20.2)	
Increase in net income		48.6	FY2007 the 3rd quarter Actual 47.0 => FY2008 the 3rd quarter Actual 95.6

*1 Please refer to "SEGMENT INFORMATION" on page 15 for changes in allocation method of operating expenses in the business segment information.

*2 Please refer to "SEGMENT INFORMATION" on page 16 for changes in classification of business segment in the business segment information. Following this changes, actual results of the third quarter of fiscal year 2007 have been reclassified in line with the changed classification. As a result, operating income of the third quarter of fiscal year 2007 decreased ¥1.9 billion in the "Soft drinks and Foods" segment and increased ¥1.9 billion in the "Others" segment.

*3 Market value and others adapted to calculation of these figures are tentative.

*4 The figures shown are those of Pharmaceuticals segment of Kirin Brewery for the first half of fiscal year 2007.

On October 1, 2008, Kyowa Hakko and Kirin Pharma merged to form a new company, Kyowa Hakko Kirin Co., Ltd.

Exchange rate for overseas company	2007 The 3rd quarter (Actual)	2008 The 3rd quarter (Actual)
National Foods (AUD)	-	¥96.11
San Miguel (PHP)	¥2.50	¥2.55

4. Major Expenses and Others

(¥ billions)

	2007		2008	
	The 3rd quarter Actual	Annual Actual	The 3rd quarter Actual	Annual Forecast
Research and development expenses	20.8	28.5	39.2	56.0
Depreciation *1	52.9	71.9	68.9	96.8
Amortization of goodwill *2	5.4	7.4	15.7	21.1
Financial profit, net	(4.9)	(5.3)	(13.4)	(15.0)
Capital expenditures	(46.3)	66.8	93.0	113.0
Cash flows	1.3	(34.2)	(1.2)	24.0
Operating activities	77.9	114.5	87.8	153.0
Investing activities	(54.2)	(269.6)	(100.7)	(126.0)
Financing activities	(22.1)	121.5	18.8	(2.0)

*1 This amount includes brand amortization

*2 Amortization of consolidation difference, "Goodwill" amortization

5. Major Fluctuations of Balance Sheets

(¥ billions)

	2007 The 3rd quarter Actual	2008 The 3rd quarter Actual	Increase (Decrease)	Reference
ASSETS				
Current Assets				
Notes and accounts receivable, trade	314.0	382.2	68.2	Increase due to addition of newly consolidated subsidiaries * and decrease due to the 3rd quarter-end of previous year being a bank holiday, etc.
Other (excluding Notes and accounts receivable, trade)	314.9	417.8	102.9	Increase due to addition of newly consolidated subsidiaries *, etc.
Fixed Assets				
Property, Plant and Equipment				
Total Property, plant and equipment	605.9	800.1	194.2	Increase due to addition of newly consolidated subsidiaries *, etc.
Intangible Assets				
Goodwill	96.0	363.5	267.5	Increase due to addition of newly consolidated subsidiaries *, etc.
Other	65.7	124.3	58.6	Increase due to addition of newly consolidated subsidiaries *, etc.
Investments and Other Assets				
Investment securities	566.7	527.4	(39.3)	Increase due to addition of newly consolidated subsidiaries* and decrease in net unrealized holding gains on securities held by Kirin Holdings along with the fluctuations in stock price, etc.
Life insurance investments	14.5	-	(14.5)	Decrease due to change in presentation, etc.
Other	72.9	122.8	49.9	Increase due to addition of newly consolidated subsidiaries * and increase due to change in presentation, etc.
LIABILITIES				
Current Liabilities				
Notes and accounts payable, trade	117.7	188.8	71.1	Increase due to addition of newly consolidated subsidiaries *, etc.
Short-term loans payable and long-term debt with current maturities	31.2	92.2	61.0	Increase at Kirin Holdings, etc.
Reserves	4.5	14.6	10.1	Increase due to addition of newly consolidated subsidiaries *, etc.
Bonds due to within one year	-	44.2	44.2	Increase due to transfer from bonds
Liquor taxes payable	112.8	67.3	(45.5)	Influence due to the 3rd quarter-end of previous year being a bank holiday, etc.
Accrued expenses	87.4	99.3	11.9	Increase due to addition of newly consolidated subsidiaries *, etc.
Other	68.4	89.2	20.8	Increase due to addition of newly consolidated subsidiaries *, etc.

(¥ billions)

	2007 The 3rd quarter Actual	2008 The 3rd quarter Actual	Increase (Decrease)	Reference
Long-term Liabilities				
Bonds	100.2	245.3	145.1	Increase due to issue of bonds at Kirin Holdings, etc.
Long-term debt	125.5	277.5	152.0	Increase at Kirin Holdings, etc.
Employees' pension and retirement benefits	59.0	81.4	22.4	Increase due to addition of newly consolidated subsidiaries *, etc.
Other	132.8	145.5	12.7	Increase due to addition of newly consolidated subsidiaries *and decrease in deferred tax liabilities due to decrease in net unrealized holding gains on securities held by Kirin Holdings along with the fluctuation in stock price, etc.
NET ASSETS				
Net unrealized holding gains on securities	136.6	79.2	(57.4)	Decrease in net unrealized holding gains on securities held by Kirin Holdings along with the fluctuations in stock price, etc.
Foreign currency translation adjustments	7.8	(34.9)	(42.7)	Influence due to addition of newly consolidated subsidiaries *, etc.
Minority interests	41.6	229.5	187.9	Increase due to addition of newly consolidated subsidiaries *, etc.

* "Increase due to addition of newly consolidated subsidiaries" was mainly resulted from the stock acquisition of Kyowa Hakkō and National Foods.

(Reference Material)

1. Guide to Kirin Group Consolidated Financial Indices

(¥ billions)

			2007 Actual	2008 Annual Forecast	2009 Revised medium-term business plan
Quantitative targets	Consolidated sales	Including liquor tax	1,801.1	2,320.0	2,500.0
		Excluding liquor tax	1,400.6	1,919.7	2,100.0
	Operating income		120.6	145.0	175.0
	Operating income ratio	Including liquor tax	6.7%	6.3%	7.0% plus
		Excluding liquor tax	8.6%	7.6%	8.3% plus
	ROE		6.5%	9.9%	7.0% plus

Guideline	Sales by segment	Alcohol beverages	1,189.4	1,196.0	1,210.0
		Soft drinks and Foods	474.5	710.0	780.0
		Pharmaceuticals	69.9	171.0	210.0
		Others	67.2	243.0	300.0
	Overseas ratio	Sales excluding liquor tax	19%	27%	Approx. 26%
	EBITDA		213.1	*1 272.5	330.0
	Amortization of goodwill etc.	1. Future portion (before 2006)	13.9	*2 13.6	13.8
		2. Investment after 2007	-	*3 18.1	19.8
		Total amortization of goodwill (1.+2.)	13.9	31.7	33.6
	EPS (¥)	Prior to 2. amortization of goodwill etc.	70	*1 51	Approx. 105
After amortization of goodwill etc.		70	109	Approx. 85	
D/E ratio		0.58	0.63	Approx. 0.50	

*1 The figures are calculated, excluding gain on change in equity (¥72.6 billion) arising from the share exchange with Kyowa Hakko.

*2 Amortization of goodwill etc. Future portion (before 2006) ¥13.6 billion:

Lion Nathan ¥10.9 billion (brand amortization ¥7.0 billion, amortization of consolidation difference ¥2.5 billion, "Goodwill" amortization ¥1.3 billion)

Kirin Beverage ¥1.9 billion (amortization of consolidation difference), etc.

*3 Amortization of goodwill etc. After investments in 2007 ¥18.1 billion:

National Foods ¥10.4 billion (brand amortization ¥2.7 billion, amortization of consolidation difference ¥0.5 billion, "Goodwill" amortization ¥7.2 billion)

Kyowa Hakko ¥5.9 billion (amortization of consolidation difference)

J. Boag & Son ¥1.7 billion (brand amortization ¥0.4 billion, amortization of consolidation difference ¥1.2 billion)

2. Results of operations by Major Companies (Consolidated)

<FY2008 The third quarter Actual>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated Net income
Kirin Brewery (consolidated subsidiary) *1	634.4	44.8	-	-	-
Mercian (consolidated subsidiary)	63.7	(1.0)	(1.0)	(0.7)	(0.3)
Kirin Beverage (consolidated subsidiary)	308.4	5.7	-	-	-
Amortization of goodwill		(1.4)	-	-	-
After adjustments of the above	308.4	4.2	-	-	-
National Foods (consolidated subsidiary)	162.9	1.0	-	-	-
Brand amortization *2		(2.1)	-	-	-
Amortization of goodwill *2*3		(5.9)	-	-	-
After adjustments of the above	162.9	(7.0)	-	-	-
Kyowa Hakko and Kirin Pharma (consolidated subsidiaries) *4	247.7	29.1	30.3	8.2	4.1
Elimination of amortization of goodwill at Kyowa Hakko		4.7	4.7	4.7	2.4
Amortization of goodwill		(3.2)	(3.2)	(3.2)	(3.2)
After adjustments of the above	247.7	30.7	31.9	9.8	3.3
Kirin Pharma (consolidated subsidiary) *1*4	9.1	(3.4)	-	-	-
Kyowa Hakko (affiliated company) *4	94.4	6.9	5.2	(0.6)	* (0.1)
Equity in earnings of affiliates *			* (0.1)	(0.1)	(0.1)
Amortization of consolidation difference *5			(1.0)	(1.0)	(1.0)
After adjustments of the above			(1.2)	(1.2)	(1.2)
San Miguel (affiliated company) *6	317.3	27.3	53.5	50.7	* 10.1
Equity in earnings of affiliates *			* 10.1	10.1	10.1
Amortization of consolidation difference *5			(1.6)	(1.6)	(1.6)
After adjustments of the above			8.5	8.5	8.5

*1 The amounts are non-consolidated.

*2 Market value and others adapted to calculation of these figures are tentative.

*3 Amortization of consolidation difference, "Goodwill" amortization

*4 On October 1, 2008, Kyowa Hakko and Kirin Pharma merged to form a new company, Kyowa Hakko Kirin Co., Ltd.

The Company prepared the financial statements after the adjustments of accounting period of each company as follows:

Kyowa Hakko and Kirin Pharma (consolidated subsidiary) April to September
(Kyowa Hakko consolidated, including Kirin Pharma),

Kirin Pharma (consolidated subsidiary) January to March

Kyowa Hakko (affiliated company) January to March

*5 Account title: Equity in earnings of affiliates

*6 Regarding San Miguel Corporation, whose closing date is December 31, the figures are calculated based on financial results from October 2007 to June 2008.

3. Sales Details of Alcohol Beverages (Kirin Brewery Company, Limited)

	2007				2008			
	The 3rd quarter Actual		Annual Actual		The 3rd quarter Actual		Annual Forecast (Announced on August 4, 2008)	
Sales volume (year-on-year rate)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)
Beer	739	(1.2%)	1,001	(1.8%)	634	(14.3%)	899	(10.2%)
<i>Happo-shu</i>	607	(6.1%)	824	(4.9%)	606	(0.2%)	834	1.2%
New genre	386	2.5%	543	10.4%	426	10.4%	572	5.3%
total	1,734	(2.2%)	2,369	(0.4%)	1,667	(3.8%)	2,305	(2.7%)
RTD	143	(15.3%)	200	(12.5%)	148	3.6%	210	5.0%
Breakdown of sales (year-on-year rate)	¥ billions		¥ billions		¥ billions		¥ billions	
Beer	296.9	(0.9%)	402.5	(1.5%)	260.3	(12.3%)	370.0	(8.1%)
<i>Happo-shu</i>	179.3	(6.0%)	243.1	(4.8%)	184.1	2.7%	253.0	4.1%
New genre	99.3	4.9%	139.6	12.3%	111.7	12.5%	150.0	7.4%
total	575.5	(1.6%)	785.4	(0.4%)	556.2	(3.3%)	773.0	(1.6%)
RTD	38.3	(13.8%)	53.2	(11.9%)	39.8	3.8%	57.0	7.1%
<i>Shochu</i> , Whiskey, Spirits and Wines, etc.	27.8	13.5%	42.4	17.7%	31.5	13.1%	45.0	6.1%

The above sales volume and sales include exports.

4. Sales Details of Soft Drink Beverages (Kirin Beverage Group)

<Category >

(10,000 cases)

Soft drink beverages			2007 The 3rd quarter Actual		2008 The 3rd quarter Actual				2007 Annual Actual		2008 Annual Forecast
			Sales Volume	Composition ratio	Sales Volume	Composition ratio	Increase (Decrease)	Percentage over the previous year	Sales Volume	Composition ratio	Sales Volume
Category	Tea drinks	Japanese Tea	2,394	16%	2,335	15%	(59)	98%	3,036	15%	3,050
		Oolong Tea	290	2%	247	2%	(43)	85%	385	2%	300
		Black tea	2,778	18%	2,719	17%	(59)	98%	3,789	19%	3,800
		Sub-total	5,462	36%	5,301	34%	(161)	97%	7,210	36%	7,150
		Coffee	2,548	16%	2,592	17%	44	102%	3,481	17%	3,550
		Fruit and vegetable juice	2,142	14%	1,916	12%	(226)	89%	2,810	14%	2,750
		Carbonated beverage	600	4%	776	5%	176	129%	655	3%	900
		Water	2,892	19%	3,138	20%	246	109%	3,816	19%	4,000
		Other	1,148	7%	1,278	8%	130	111%	1,560	8%	1,500
	Domestic soft drink beverage market total	14,792	96%	15,001	96%	209	101%	19,532	97%	19,850	
Overseas markets	Overseas soft drink beverage market total	561	4%	651	4%	90	116%	714	3%	850	
Total	Soft drink beverages total	15,353	100%	15,652	100%	299	102%	20,246	100%	20,700	

<Container Type >

(10,000 cases)

Soft drink beverages			2007 The 3rd quarter Actual		2008 The 3rd quarter Actual				2007 Annual Actual		2008 Annual Forecast
Container Type	Category	Details	Sales Volume	Composition ratio	Sales Volume	Composition ratio	Increase (Decrease)	Percentage over the previous year	Sales Volume	Composition ratio	Sales Volume
Cans	Can	Including bottle styled cans	2,911	19%	3,213	21%	302	110%	3,968	20%	4,400
PET Bottles	Large-sized PET Bottles	2L	3,098	20%	3,105	20%	7	100%	3,958	20%	3,900
		1.5L, 1L, 900ml, 750ml	1,153	7%	1,306	8%	153	113%	1,560	7%	1,750
		Large-sized PET Bottles total	4,251	27%	4,411	28%	160	104%	5,518	27%	5,650
	Small-sized PET Bottles	500ml	4,007	26%	4,207	27%	200	105%	5,134	26%	5,400
		350ml or less	1,841	12%	1,488	10%	(353)	81%	2,601	13%	2,200
	Small-sized PET Bottles total	5,848	38%	5,695	37%	(153)	97%	7,735	39%	7,600	
	PET Bottles total	10,099	65%	10,106	65%	7	100%	13,253	66%	13,250	
Other containers	One-way/Returnable bottles, paper, gifts, etc.		1,782	12%	1,682	10%	(100)	94%	2,311	11%	2,200
Overseas markets	Soft drink beverages total		561	4%	651	4%	90	116%	714	3%	850
All containers	Container total		15,353	100%	15,652	100%	299	102%	20,246	100%	20,700

5. Sales Details of Pharmaceuticals (KYOWA HAKKO KOGYO CO., LTD. and Kirin Pharma Company, Ltd.)

(¥ billions)

	2007		2008	
	The 3rd quarter Actual	Annual Actual	The 3rd quarter Actual	Annual Forecast
ESPO [®] / NESP [®]	31.3	44.9	26.7	38.4
GRAN [®] / Neu-up [®]	10.0	14.8	11.2	16.4
Coniel [®]	-	-	11.6	17.8
Allelock [®]	-	-	9.6	14.9
REGPARA [®]	-	-	2.5	3.7
Patanol [®]	-	-	1.4	2.1
Topina [®]	-	-	0.3	0.8

Actual and forecast amounts are based on domestic settlement price except for rebates.

The amounts for the third quarter of fiscal 2007 (actual) and the fiscal 2007 (annual actual) shown above are the actual results of operation of Kirin Pharma. The second quarter and the third quarter in the third quarter of fiscal 2008 (actual) and the fiscal 2008 (annual forecast) is those of Kyowa Hakko (including Kirin Pharma).

6. Effect of Exchange Rates on Forecasts of Consolidated Business Results

The exchange rates used as the premise for the annual consolidated business results forecasts for the current fiscal year are based on the assumption that the exchange rate level recorded at the end of the third quarter under review will continue until the end of the fiscal year.

The following are the assumed exchange rates (fiscal year average and as of fiscal year-end) for the computation of the income of major Group companies outside Japan.

Lion Nathan (Fiscal year-end: September)	97 JPY/AUD
National Foods (Fiscal year-end: December)	93 JPY/AUD
Exchange rate as of the fiscal year-end	83 JPY/AUD

Moreover, because consolidated subsidiaries of the Company in Australia have Group loans denominated in Japanese yen, additional foreign exchange losses may be included in the consolidated financial statements for the fiscal year depending on future yen/Australian dollar exchange rate changes (extent of appreciation of the yen). For this reason, actual business results may differ substantially from the forecasts described herein. The estimated effect of a future exchange rate fluctuation on the forecasts attributable to this loan transaction is as follows.

Effect of a ¥10 change in the yen/Australian dollar exchange rate on ordinary income: ¥8.5 billion

Other than the above loan transaction, the effect of exchange rate fluctuations on the forecasts is immaterial.