

KIRIN BREWERY COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2005 (UNAUDITED)

November 11, 2005

(English Translation)

Fiscal year ending December 31, 2005

KIRIN BREWERY COMPANY, LIMITED

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

Code No.:	2503
Shares Listed:	Tokyo, Osaka, Nagoya, Fukuoka and Sapporo
Representative:	Mr. Koichiro Aramaki, President
For further information, please contact:	Mr. Kensuke Suzuki, General Manager, Corporate Communications & IR Group, CSR & Communications Division Telephone: 81- 3- 5540- 3450 from overseas

1. Items pertaining to preparation of quarterly consolidated statements of income, etc.

Application of US GAAP: None

Adoption of simple methods in accounting policies: Yes

The estimated effective tax rate is applied for the computation of income taxes

Change in accounting policies: Yes

- Adoption of the new accounting standard, "The partial revision of the accounting standard for pension and retirement benefits"

- Change in accounting method for rental income and expenses from real estate business under which rental income and expenses are recorded as sales and cost of sales, respectively

Changes in scope of consolidation and application of equity method:

Consolidation: Increase 10 companies Decrease 7 companies

Equity method: Increase 1 company Decrease none

2. Business results and financial positions for the third quarter of 2005

(January 1, 2005 – September 30, 2005)

[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, 2005	1,195,492	(2.3)	85,421	(6.3)	88,154	(2.5)
Third quarter ended September 30, 2004	1,224,255	4.3	91,207	11.4	90,424	15.8
Year ended December 31, 2004	1,654,886		109,392		106,562	

	Net income (¥ millions)	Percentage change (%)	Net income per share (Primary) (¥)	Net income per share (Diluted) (¥)
Third quarter ended September 30, 2005	43,612	7.7	45.49	
Third quarter ended September 30, 2004	40,498	16.1	41.92	
Year ended December 31, 2004	49,099		50.58	

Notes: Percentage change means the ratio of increase or decrease in each item of business results for the third quarter ended September 30, 2005, to those for the third quarter ended September 30 2004.

(2) Financial positions:

	Total assets (¥ millions)	Shareholders' equity (¥ millions)	Ratio of shareholders' equity to total assets (%)	Shareholders' equity per share (¥)
September 30, 2005	1,840,167	927,230	50.4	969.39
September 30, 2004	1,773,459	847,091	47.8	876.93
December 31, 2004	1,823,790	858,615	47.1	888.65

(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 30,2005	63,342	(49,718)	(29,264)	162,557
Third quarter ended September 30,2004	87,637	(42,024)	(8,433)	167,541
Year ended December 31, 2004	127,963	(44,252)	(35,901)	177,257

3. Forecast of business results for the current fiscal year (January 1, 2005-December 31, 2005)

	Sales (¥ millions)	Ordinary income (¥ millions)	Net income (¥ millions)
Year ending December 31, 2005	1,650,000	109,000	50,000

(Reference) Forecasted net income per share (Year ending December 31,2005) ¥52.1

Forecasted operating income (Year ending December 31, 2005) ¥110,000 millions

(Note) Forecast of business results stated above has not been changed from the forecast disclosed on August 10, 2005.

4 . CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2005

Consolidated sales for the first nine months of the fiscal year ending December 31, 2005 were ¥1,195.4 billion, 2.3% lower than in the previous comparable period. Although pharmaceutical business sales increased, sales of alcohol and soft drink beverages declined. Consolidated operating income for the nine-month period was ¥85.4 billion, 6.3% lower than the previous comparable period, consolidated ordinary income decreased 2.5% to ¥88.1 billion, and consolidated net income increased 7.7% to ¥43.6 billion.

Alcohol Beverages Business

In our domestic alcohol beverages business, we continued activities to strengthen our competitiveness in each beverage category—centered on the low alcohol beverages market—while developing our operations as a comprehensive alcohol beverages provider, and shifting our competitive focus from *price* to *value*.

In beer, the category with the strongest impact on the value of the Kirin brand, a number of initiatives were undertaken. We continued to support sales of *Kirin Ichiban Shibori* with the food-based marketing campaign we have promoted since 1998, appealing to the complementary nature of this beer with various foods. In August we released our special seasonal beer *Kirin Akiaji*, the 15th year of this fall-only product. In September we launched the second phase of our 'happy meal times with Kirin beer' campaign, centered on local delicacies in 47 prefectures of Japan. In the high added-value chilled beer market, pioneered in Japan by Kirin, we took steps to further develop this market with the renewal of *Maroyaka Kobo* in March.

In *happo-shu*, a category that has become central in the household evening consumption market, we reinforced our number one market position by renewing the *Tanrei* series *Tanrei Nama*, *Tanrei Green Label* and *Tanrei Alpha*, supported by a large advertising and sampling campaign.²

In the closely watched *new genre* category, the successful launch of *Kirin Nodogoshi* in April resulted in Kirin sustaining number one market share by volume in this category as of the end of September. This launch was supported by initiatives including comprehensive marketing efforts across the Group, a large-scale promotional campaign, and the release of a 250ml can in August to enhance the product line-up.

We have taken a number of initiatives to expand our unique product line-up in the *chu-hi* market, with the launch in March of a new flavor *Hyoketsu Lychee* in the *Kirin Chu-hi Hyoketsu* range, followed by new seasonal flavors *Hyoketsu Pineapple Cooler* and *Hyoketsu Guava Cooler* in May and June respectively, and *Rose Sparkling* in the premium fruit series in September.

In September we launched our first domestically produced Kirin brand whisky, *Fuji-Sanroku*, and enjoyed a strong start to sales. In wines and spirits we focused on strengthening our core wine brands such as *Franzia*, the world's biggest selling wine brand³, and *Café de Paris*, and in April began sales of *B&G French Tom*.

As an official sponsor of the Japan national soccer team we embarked on an active promotional campaign around the final Asian-region qualifying matches for the 2006 FIFA world cup, including a popular 'winner's tee shirts' and 'winners beer barrel' promotion that began in June.

In sales and marketing we were closely engaged in following up on the introduction of open pricing in January 2005, a move aimed at strengthening the industry and improving services to customers. In September we revised our sales structure to enable a more rapid response to feedback from our customers.

In our overseas alcohol business, which we are pursuing mainly in Asia and Oceania with particular emphasis on China, Kirin (China) Investment Co., Ltd. (established last year) received a license from Chinese authorities to sell alcohol beverages, and began handling Kirin brands such as *Kirin Qing Chun* beer in Shanghai. In June we took our first step in the international rollout of *Kirin Chu-hi Hyoketsu*, drawing on Group synergies with Kirin Beverage Corporation to launch the product in Shanghai.

Sales in the alcohol beverage business for the nine months ended September 30, 2005 decreased 2.9% to ¥748.5 billion compared with the same period of the previous year, affected by such factors as the increased proportion of sales of low price *new genre* beverages, even though the sales volume in the domestic market exceeded the comparable period of the previous year. Operating income increased 1.5% to ¥55.5 billion, supported by the strong sales performance at Lion Nathan Limited in Australia.

Soft Drinks Business

In the soft drinks business, Kirin Group's core soft drink business Kirin Beverage Corporation worked to expand its operational arena and boost sales through growing core brands and adapting sales strategies to each region and channel. Core brand *Nama-cha* underwent a comprehensive renewal in March 2005, and an extension brand was launched in September as part of efforts across the company to capture a greater share in the green tea market. With the approach of fall and winter, Kirin Beverage has been strengthening its presence in the hot drinks market with the launch of products such as *Kirin Fire Only One* and *Kirin Gogono-Kocha Royal*. In the growing mineral water market focus has been on strengthening the brand value of *Alkali-Ion-no-Mizu* and *Volvic*.

1. Refers to beverages such as beer, *happo-shu*, *new genre* and *chu-hi* that contain less than 10% alcohol

2. Taxed shipments of Kirin *Happo-shu*, January-September 2005

3. Largest sales volume for a single brand, according to IMPACT DATA BANK 2004 EDITION

In overseas soft drinks operations Kirin has continued to develop new proposals in response to the growing diversification of consumer tastes in China, through initiatives such as the simultaneous launch in Japan and China of *Kirin Shanghai Reicha* (sold in China as Hua jan qing yuan).

Sales in the soft drinks business for the nine months ended September 30, 2005 reached ¥278.3 billion, 2.3% lower than the previous comparable nine-month period, influenced by such factors as weaker sales of functional drinks and an increase in the proportion of sales of large PET bottle products at low unit prices. Operating income decreased 27.6% to ¥15.7 billion, impacted by strategic investment in the green tea market and other factors.

Pharmaceuticals Business

In April we began full in-house sales of core products *ESPO*, a treatment for renal anemia, and *GRAN*, an agent used for leukocytopenia, following the end of a sales contract with Sankyo Co., Ltd. In March we established Kirin Pharmaceuticals Singapore Pte., Ltd. in Singapore and in June established Kirin Pharmaceuticals Thailand Co., Ltd. in Thailand, both as part of the creation of a business base for full-scale entry into the ASEAN market. In July we acquired additional shares in Hematech, LLC, making that company a subsidiary of Kirin. Hematech has been engaged in joint research with Kirin in the area of antibody medicines, an area of strategic focus for pharmaceuticals business development. In R&D we have applied for approval for KRN321, a new-generation medicine for renal anemia, and continued the development of KRN1493, a treatment for secondary hyperparathyroidism.

Sales in the pharmaceuticals business for the nine months ended September 30, 2005 reached ¥47.9 billion, 7.1% higher than in the previous comparable period, influenced by good sales of *ESPO* and the shift to full in-house sales. Operating income increased 10.9% to ¥11.0 billion.

Other Businesses

In the agribio business, we moved to strengthen our flower operations in China through a tie-up in March 2005 with the Agriculture and Biology school of Shanghai Jiao Tong University. Additionally, Flower Season Co., Ltd, whose products carry the name of the area and grower as part of their brand, introduced new varieties to bring the product line up to 18. In July, Kirin Group subsidiary Flower Gate Inc. launched a new brand of indoor plants, *Maisoplante*, through its Floreal network of retail flower shops.

In nutrient foods, we strengthened our business foundation by establishing a research and development facility within our nutrient foods company. This was part of a business reorganization in March, and it means that our operations now cover the entire value chain, from R&D through to sales and marketing. At Kirin Well-Foods Co., Ltd. measures were taken to increase sales of Kirin Noale, product based on KW Lactobacillus that was jointly developed using Group resources, as well as Lieta, a diet support food that was renewed in April. In June we formed an alliance agreement with Yakult Honsha Co., Ltd. to develop next-generation health foods and functional foods.

Sales in other businesses for the nine-month period ended September 30, 2005 reached ¥120.6 billion, 2.6% lower than the previous comparable period, while operating income decreased 40.9% to ¥3.5 billion.

5 . OUTLOOK FOR THE FULL YEAR

There are no changes to the full year consolidated forecasts for the year ending December 31, 2005 that were announced on August 10, 2005.

6. BUSINESS RISKS

Outlined below are the main risks faced by Kirin in its business activities that have been identified as having the potential to have a significant impact on the decisions of investors. Information is also presented with regard to matters that are not necessarily risk factors, with the aim of ensuring active disclosure of information to investors. Based on an awareness and understanding of these risks, Kirin takes measures to prevent and reduce risks, and to respond appropriately in the case that any such risks eventuate, as outlined in section 9- (1), of Management Policy above. The risk items outlined below are those identified by the Company as of September 30, 2005.

(1) Domestic markets and economic trends

Most of Kirin Group's Alcohol Beverages division operates in Japan. This business could therefore be significantly affected by domestic economic conditions and consumer trends with regard to alcohol beverages. Furthermore, the declining birth rate and aging population profile in Japan could lead to a weakening of the alcohol beverages and soft drinks markets.

(2) Increased taxes on alcoholic beverages

Alcohol consumption in Japan could decline if increased taxes on alcohol beverages resulted in higher prices.

(3) Changes in regulatory environment regarding alcohol beverages

In order for the Kirin Group to fulfill its social responsibility as a manufacturer and vendor of alcohol products, advertising and publicity is conducted in accordance with strict voluntary standards. However, international standards in respect of the sale of alcohol products are under consideration by institutions such as the World Health Organization. In the long term Kirin faces the risk that sales of alcohol beverages could decline if guidelines were implemented that were significantly stricter than currently envisaged.

(4) Risk in the pharmaceutical business

The pharmaceutical industry has in recent years undergone considerable restructuring through alliances and mergers. This restructuring, along with the decline in relative scale of the Group's pharmaceutical businesses, could negatively impact our performance in the pharmaceutical business. Revisions to laws, and stricter regulations, could also be disadvantageous to Kirin. The potential occurrence of unforeseen side effects from our Company's pharmaceutical products poses a further risk to our business.

(5) Risk in overseas businesses

The Kirin Group has overseas operations focusing on Asia and Oceania. Risks associated with these operations include those outlined below. We take measures to ameliorate these risks but these risks may affect our business to a greater extent than we forecast.

- Revisions to tax systems and laws and stricter regulations that have an adverse effect on our company
- Occurrence of unforeseeable political, economic or social events
- Political or social factors such as the outbreak of war or terrorist activity, SARS or avian influenza epidemics
- Earthquakes and other natural disasters
- Currency fluctuations outside the forecast range

(6) Weather and natural disasters

Kirin Group's alcohol beverages or soft drinks businesses may be adversely affected by weather patterns such as unusually cold summers or extensive typhoons. Furthermore, earthquakes and natural disasters on a large scale could damage facilities, resulting in production levels falling short of requirements.

(7) Food safety

Kirin Group is continually strengthening its strict food quality management system. The entire Group is cooperating in the implementation of quality tests in order to offer customers 'safety in food'. However, in recent years, BSE and avian influenza epidemics have threatened food safety. If quality control problems occur that are beyond the scope of our anticipatory measures, Kirin's financial position and business performance could be adversely affected.

(8) Accidents at outsourced manufacturers

Some of Kirin Group's products are produced by external manufacturers, and some products are imported. The quality of such goods is expected to be uniformly high, but the risk remains that our business could be adversely affected by quality problems at outside manufacturers or from imported goods.

(9) Environmental issues

Kirin Group currently complies with all laws regarding waste disposal and sanitation, and is thoroughly involved in manifesto management. Kirin also strictly complies with various environment laws concerning the atmosphere, water quality, noise pollution, vibrations, soil contamination and land subsidence, and other matters relating to industrial waste. However, revisions to relevant laws and regulations may necessitate additional capital expenditure, raising costs and negatively impacting Kirin's financial situation and business performance.

(10) Information leaks

Kirin Group has formulated information security policies, is implementing internal training programs and is making every effort to protect data on individuals. However, risks such as those from hacking and document falsification remain. Furthermore, computer viruses could temporarily damage the company's computer systems, adversely impacting Kirin's financial position and business performance.

(11) Effects of legal restrictions

When carrying out our business the Kirin Group abides by domestic liquor tax laws, food sanitation laws and drug legislation. Furthermore, in each country in which the Group is present we comply with local laws. If such laws change, or if new, unforeseen laws or regulations are introduced, Group activities may be curtailed, adversely impacting Kirin's financial position and business performance.

(12) Litigation risks

Kirin Group has an internal business control structure and is putting efforts into strengthening compliance management as part of measures to ensure that Kirin Group does not violate statutes and regulations when carrying out its business. However, in the course of our business in Japan and overseas, there is a possibility that litigation will be brought against the Group or its employees for real or supposed infringements of product liability, intellectual property or other laws. Either directly as a result of legal proceedings or as the result of the loss of trust from customers resulting from such proceedings there is a risk that Kirin's financial situation and business performance could be negatively affected.

(13) Increase in the price of raw materials

Some of the main raw materials that Kirin Group uses are liable to changes in price depending on market conditions. Based on increases in the price of raw materials, manufacturing costs may also rise, adversely impacting Kirin's financial position

(14) Changes in value of assets

Kirin's financial position and business performance could be adversely affected if the value of land, negotiable securities or other assets decreased significantly in value.

(15) Retirement liabilities

Liabilities and expenses for employees' retirement are calculated on an actuarial basis based on certain assumptions including discount rates and expected returns on pension assets. Actual outcomes could differ from these assumptions or these assumptions could change, adversely impacting Kirin's financial position and business performance.

7. INFLUENCE OF SEASONAL FACTORS

Sales of Kirin Group's core alcohol beverages and soft drinks are subject to significant change with the seasons, as demand peaks in summer. Sales in the third quarter of the year tend to be higher than in other quarters.

8. NOTE CONCERNING FORECASTS

The statements concerning future performance that are presented in this document are based on judgments using information available to Kirin and the Kirin Group as of September 30, 2005. Certain risks and uncertainties could cause the results of Kirin 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.

9. CORPORATE GOVERNANCE

Fundamental Policies Concerning Corporate Governance

Kirin has positioned corporate governance as a key management priority. To this end, Kirin has undertaken a comprehensive reorganization of its management structure and implemented a series of initiatives. In April 2003, Kirin streamlined the structure of its Board of Directors, and established the Compensation Advisory Committee and the Appointment Advisory Committee. At the same time Kirin set up an Advisory Board, introduced an executive officer system and undertook a major review of the company's meetings structure and management framework. Under this new governance structure, Kirin is working to ensure increased transparency and efficiency in corporate management.

Corporate Governance Status and Initiatives

(1) Corporate governance structure—decision-making, executive, oversight and administrative functions

Corporate Structure

- Kirin has adopted an auditor system
- The Company's Board of Directors is comprised of 10 directors, including two external directors. Kirin maintains four auditors, including two external auditors
- While the Company has adopted an auditor system, the Compensation Advisory Committee and the Appointment Advisory Committee have been established to deliberate matters relating to compensation and the appointment of directors, auditors and executive officers.

The Compensation Advisory Committee comprises the president, an external director and two other directors. The committee serves in an advisory capacity to the Board of Directors and reports to the Board in connection with the compensation of directors, auditors and executive officers on an objective and fair basis giving due consideration to the business environment, the Company's performance, appropriate compensation standards and individual performance.

The Appointment Advisory Committee is comprised of the president, an external director and two other directors. The committee serves in an advisory capacity to the Board of Directors and provides to the Board a list of candidates for directors, auditors and executive officers. In addition, Kirin has established an Advisory Board, which reports to and supports the Board of Directors. The purpose and function of the Advisory Board is to garner the objective views and suggestions of a panel of diverse experts concerning major issues that confront the Company, with the aim of securing greater management transparency and quality. The Advisory Board is composed of four members: Hiroyuki Itami (Professor, Graduate School of Commerce and Management, Hitotsubashi University), Eiko Oya (critic), Akira Gemma (Advisor, Shiseido Co., Ltd.), Takeyoshi Takei (editorialist of Nihon Keizai Shimbun advisory committee).

- Full-time staff are not provided to external directors. Together with internal directors, external directors are supported by the Secretary Section of the General Affairs Dept. Full-time staff are not provided to external auditors. Together with internal auditors, external auditors are supported by advisory staff to auditors.
- Kirin introduced an executive officer system with the aim of promoting increased flexibility in operating functions. Of the Company's 10 directors, eight hold the position of executive officer concurrently. There are 35 executive officers, comprising the president, executive vice president, 12 managing executive officers and 21 executive officers.

The Domestic Alcohol Strategy Committee and the Management Strategy Committee are set as meeting bodies to deliberate important matters relating to the operating function. The Domestic Alcohol Strategy Committee deliberates on important matters relating to the domestic alcohol beverages business, and the Management Strategy Committee deliberates on important matters other than the domestic alcohol beverages business and matters relating to Group Headquarters operations. Both committees support the decision-making function of the president.

- The Board of Directors and the Board of Auditors oversee and audit the operating function. The Board of Directors makes decisions on important matters relating to the operating function and legal compliance, as

well as oversees the operating function. The Board of Auditors formulates auditing policies and the role of each auditor. Guided by these policies, each auditor attends and audits the activities of directors in meetings of the Board of Directors and other meeting bodies such as the Domestic Alcohol Strategy Committee and the Management Strategy Committee.

Internal Control Systems

- Kirin's Internal Audit Department fulfills an internal audit function. The department audits the operations of the Company to ensure they remain relevant and are performed in an efficient manner in accordance with annual audit guidelines and plans.

Risk Management Structure

- Kirin formulates risk management rules with the aim of reducing risk and minimizing the impact on its business and on society of any negative consequences arising from risks that eventuate into reality. Kirin has also established the Risk Management Committee to oversee matters relating to risk management (chaired by a managing director). The Risk Management Committee, as well as identifying important risks, is also implementing the regular monitoring of risks in each division.
- Each division of Kirin is committed to taking the responsibility to implement measures that reinforce compliance and continually review and improve risk prevention policies. Furthermore, Kirin formulates compliance guidelines and these are provided to all staff as part of efforts to thoroughly diffuse compliant standards of behavior. Internal and external hotlines have been created allowing employees to report with a guarantee of anonymity.

Internal audits, Corporate Auditors' Audits, and Financial Audits

- Kirin uses a corporate auditor system, comprising two internal auditors and two external auditors. The Company's auditors set auditing policy and allocate responsibilities, and accordingly each auditor attends meetings of the board of directors as appropriate, as well as attending meetings of other internal bodies such as the Domestic Alcohol Strategy Committee and the Management Strategy Committee. Audits are also undertaken of head office business divisions, branch offices and affiliated companies, with the aim of ensuring the comprehensive supervision of the execution of the Company's business.

Internal audits are undertaken by the Internal Audit Department, separate from the corporate auditor system. This department conducts audits of the Company and affiliated companies, with the aim of ensuring sound Group risk management and internal control.

Independent financial audits are undertaken through a contract with KPMG AZSA & Co. The auditing procedures for the period under review were conducted by Kenji Sakurai, Takaya Abe and Fumio Koike, who have undertaken such auditing for the Company for the past one, ten, and three years respectively, including periods before revisions in June 2003 to the Certified Public Accountant Law. During the period under review, auditing assistance was provided by five certified public accountants, five assistant public accountants, and two other assistants.

(2) Transactions with related parties

External director Kenjiro Hata is a senior corporate advisor to Meiji Yasuda Life Insurance Company. External director Satoru Kishi is an advisor to The Bank of Tokyo-Mitsubishi, Ltd. External auditor Toyoshi Nakano is a senior corporate advisor to The Mitsubishi Trust and Banking Corporation. External auditor Teruo Ozaki is a certified public accountant. Kirin conducts financial transactions with Meiji Yasuda Life Insurance Company, The Bank of Tokyo-Mitsubishi, Ltd. and The Mitsubishi Trust and Banking Corporation. All of these transactions are routine and present no conflicts of interest for external directors or auditors as individuals.

(3) Corporate Governance Initiatives during the period October 2004 to September 2005

1. Board of Directors and Board of Auditors Meetings and Attendance

The Board of Directors meets regularly twice a month and irregularly as necessary. The Board of Directors met 30 times during the past 12 months, with a 73% attendance rate by external directors.

The Board of Auditors meets once a month. In the past 12 months the Board of Auditors convened 12 times with a 96% attendance rate by external auditors.

2. Committee Meetings and Attendance

The Compensation Advisory Committee met three times in the past twelve months, with 92% attendance at each meeting.

The Appointment Advisory Committee met two times in the past twelve months, with 100% attendance at each meeting.

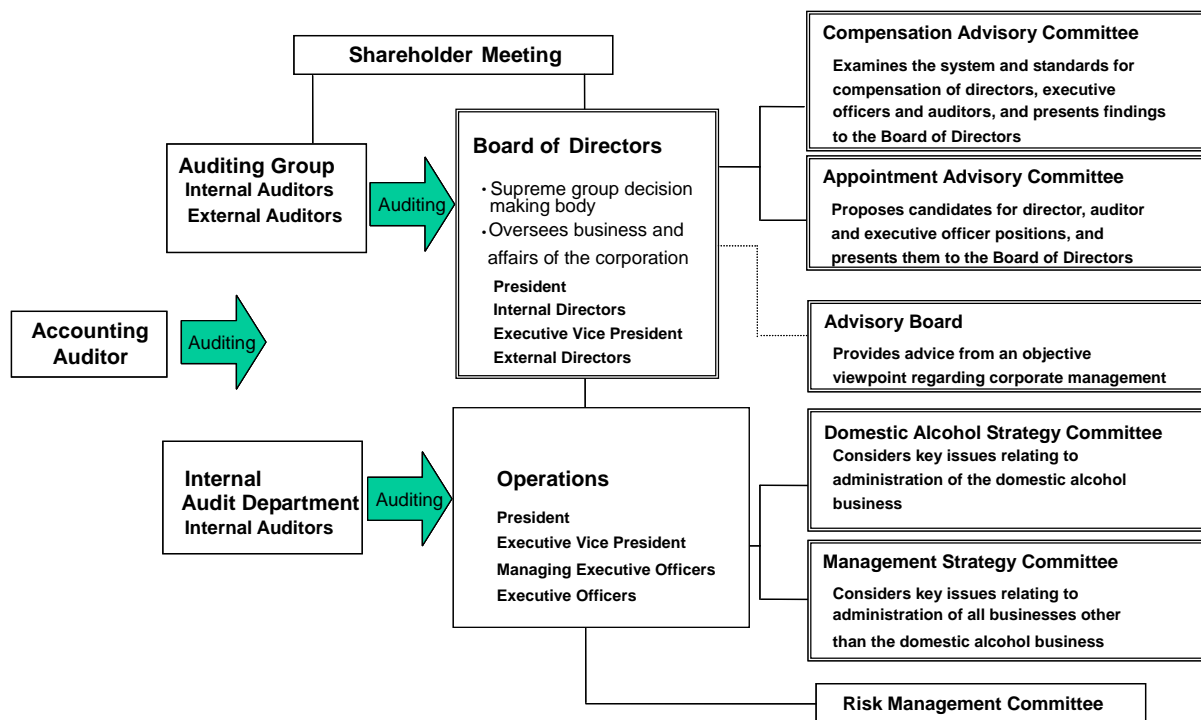
3. Advisory Board Meetings and Attendance

The Advisory Board met two in the past twelve months, with 100% attendance at each meeting.

4. Other

In the period under review no new committees were established and no changes were made to the framework of business execution, business oversight, internal control or risk management.

The following is a diagram of the Company's corporate governance structure.



Note: Members comprise 10 board directors (including two external directors); four auditors (including two external auditors); 35 executive officers (including the president, vice president, 12 managing executive officers and 21 executive officers); four members of the Compensation Advisory Committee (including one external member); four members of the Appointment Advisory Committee (including one external member); and four Advisory Board members. Eight of the 10 directors hold the concurrent post of executive officers.

10. CORPORATE SOCIAL RESPONSIBILITY MEASURES

Kirin aims for the continued trust of society by making efforts to promote compliance, responsible drinking, and protection of the environment. In March 2005 Kirin moved to strengthen its approach to CSR by establishing a CSR & Corporate Communication Division, responsible for the overall Groupwide pursuit and unification of CSR activities and communications with all stakeholders. A CSR Management Group was established within this division, with responsibility for establishing and overseeing basic CSR strategy, and established a Group CSR Committee, comprising members of the CSR & Corporate Communication Division, other related divisions, and Group companies, with the aim of facilitating the introduction of CSR strategies devised by the CSR Management Group into individual Group companies. In June, the *Kirin Group CSR Report 2005* was issued, covering CSR activities undertaken by the Group. This report replaced the previous annual Environmental Report.

Our approach to environmental issues includes efforts to minimize packaging and waste by selling cases of 24 separate cans of beer and *happo-shu* as well as cases of six-packs, so that customers can make single-can purchases without wasting cardboard. We are extending our initiatives to protect water supplies and sustain water quality throughout Japan through activities such as our Forest Reservoir Project, and have commenced a watershed afforestation programs at our Nagoya and Hokuriku plants. In another approach, we have adopted the 'Cool biz' policy being promoted by Ministry of Environment to reduce power consumption by a targeted 6% during summer by encouraging staff to wear short-sleeve shirts without a necktie or jacket, reducing the need for air conditioning in offices.

In compliance matters we have been instituting training programs via a company intranet and group training sessions. Our approach to food safety is based on a continuous effort to maintain and improve our quality management systems. In addition to local community initiatives based around our plant locations, we are continuing to support sports, including Japan's 2006 world cup-bound national soccer team. One of our cultural activities involves a research project into the 5,000-year history of beer, which is now in its third stage with a focus on the origins of beer in Japan.

CONSOLIDATED BALANCE SHEETS

(¥ millions)

ASSETS	At		At		Increase	At	
	September 30, 2005		September 30, 2004		(Decrease)	December 31, 2004	
	Amount	Percentage over total assets	Amount	Percentage over total assets	Amount	Amount	Percentage over total assets
Current Assets		%		%			%
Cash	167,016		171,220		(4,204)	183,501	
Notes and accounts receivable, trade	237,607		229,687		7,920	292,708	
Marketable securities	450		651		(201)	800	
Inventories	99,465		98,915		550	83,296	
Other	48,740		53,230		(4,490)	65,030	
Allowance for doubtful accounts	(3,289)		(3,034)		(255)	(4,489)	
Total Current Assets	549,990	29.9	550,670	31.1	(680)	620,848	34.0
Fixed Assets							
Property, plant and equipment							
Buildings and structures	189,102		197,130		(8,028)	190,537	
Machinery, equipment and vehicles	171,385		174,113		(2,728)	165,881	
Land	154,974		165,051		(10,077)	154,474	
Construction in progress	30,297		23,197		7,100	33,567	
Other	35,608		43,613		(8,005)	41,819	
Total	581,368	31.6	603,107	34.0	(21,739)	586,279	32.2
Intangible Assets							
Consolidation differences	38,005		41,092		(3,087)	40,275	
Other	94,218		98,893		(4,675)	94,669	
Total	132,224	7.2	139,986	7.9	(7,762)	134,945	7.4
Investments and Other Assets							
Investment securities	468,371		375,781		92,590	372,095	
Life insurance investments	36,225		35,690		535	36,491	
Other	75,838		72,935		2,903	77,065	
Allowance for doubtful accounts	(3,851)		(4,712)		861	(3,935)	
Total	576,584	31.3	479,695	27.0	96,889	481,716	26.4
Total Fixed Assets	1,290,176	70.1	1,222,788	68.9	67,388	1,202,941	66.0
TOTAL ASSETS	1,840,167	100.0	1,773,459	100.0	66,708	1,823,790	100.0

(¥ millions)

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	At September 30,2005		At September 30,2004		Increase (Decrease)	At December 31, 2004	
	Amount	Percentage over total assets	Amount	Percentage over total assets	Amount	Amount	Percentage over total assets
Current Liabilities		%		%			%
Notes and accounts payable , trade	97,904		101,866		(3,962)	111,418	
Short-term loans payable	24,819		28,115		(3,296)	24,882	
Liquor taxes payable	75,164		74,973		191	117,066	
Income taxes payable	17,469		18,259		(790)	13,523	
Accrued expenses	75,019		70,840		4,179	78,656	
Deposits received	30,511		47,953		(17,442)	51,176	
Other	41,277		41,114		163	46,124	
Total Current Liabilities	362,167	19.7	383,123	21.6	(20,956)	442,847	24.3
Long-term Liabilities							
Bonds	174,699		167,181		7,518	171,564	
Long-term debt	66,545		93,545		(27,000)	67,119	
Employees' pension and retirement benefits	71,700		80,426		(8,726)	73,227	
Other reserves	14,074		14,983		(909)	14,711	
Deposits received	72,122		73,382		(1,260)	73,374	
Other	71,536		34,612		36,924	43,471	
Total Long-term Liabilities	470,679	25.5	464,131	26.2	6,548	443,469	24.3
TOTAL LIABILITIES	832,847	45.2	847,255	47.8	(14,408)	886,317	48.6
MINORITY INTERESTS	80,089	4.4	79,112	4.4	977	78,857	4.3
Common stock	102,045	5.5	102,045	5.8		102,045	5.6
Capital surplus	70,995	3.9	70,970	4.0	25	70,984	3.9
Retained earnings	718,764	39.1	679,306	38.3	39,458	687,905	37.7
Land revaluation difference	(4,713)	(0.3)	(1,668)	(0.1)	(3,045)	(4,713)	(0.2)
Net unrealized holding gains on securities	92,454	5.0	42,181	2.4	50,273	52,463	2.9
Foreign currency translation adjustments	(27,444)	(1.5)	(31,343)	(1.8)	3,899	(35,614)	(2.0)
Treasury stock, at cost	(24,872)	(1.3)	(14,399)	(0.8)	(10,473)	(14,456)	(0.8)
TOTAL SHAREHOLDERS' EQUITY	927,230	50.4	847,091	47.8	80,139	858,615	47.1
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	1,840,167	100.0	1,773,459	100.0	66,708	1,823,790	100.0

CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Third quarter ended September 30, 2005		Third quarter ended September 30, 2004		Increase (Decrease)	Year ended December 31, 2004	
	Amount	Percentage over sales	Amount	Percentage over sales	Amount	Amount	Percentage over sales
		%		%			%
Sales	1,195,492	100.0	1,224,255	100.0	(28,763)	1,654,886	100.0
Cost of Sales	706,231	59.1	742,731	60.7	(36,500)	1,008,049	60.9
Gross profit	489,260	40.9	481,524	39.3	7,736	646,836	39.1
Selling, general and administrative expenses	403,839	33.8	390,316	31.9	13,523	537,444	32.5
Operating income	85,421	7.1	91,207	7.5	(5,786)	109,392	6.6
Non-operating income							
Interest income	619		521			750	
Dividend income	2,580		2,568			3,341	
Equity in earnings of affiliates	5,787		3,922			5,112	
Rental income			1,379			1,621	
Other	3,932		2,199			3,209	
Total	12,920	1.1	10,591	0.9	2,329	14,034	0.8
Non-operating expenses							
Interest expense	6,774		7,688			10,221	
Loss on sale and disposal of finished goods	1,560					1,326	
Other	1,852		3,685			5,315	
Total	10,187	0.9	11,374	0.9	(1,187)	16,864	1.0
Ordinary income	88,154	7.4	90,424	7.4	(2,270)	106,562	6.4
Special income							
Gain on sale of fixed assets	914		1,431			1,766	
Reversal of allowance for doubtful accounts	1,494		1,566			331	
Gain on sale of investment securities	1,145		311			319	
Gain on release from the substitutional portion of the government's welfare pension insurance scheme	531					26,162	
Gain on sale of shares of subsidiaries and affiliates	8					8,333	
Total	4,093	0.3	3,309	0.3	784	36,913	2.2
Special expenses							
Loss on disposal of fixed assets	1,607		3,681			5,743	
Loss on sale of fixed assets	334		169			251	
Loss on impairment						12,419	
Loss on devaluation of investment securities						1,150	
Loss on sales of investment securities	26		17			17	
Business restructuring expense	463					912	
Loss on devaluation of fixed assets of foreign subsidiaries			2,797			12,962	
Loss on sale of shares of subsidiaries and affiliates	159						
Total	2,590	0.2	6,666	0.5	(4,076)	33,458	2.0
Income before income taxes and minority interests	89,656	7.5	87,067	7.1	2,589	110,018	6.6
Income taxes	37,417	3.1	39,365	3.2	(1,948)	53,256	3.2
Minority interests	8,627	0.7	7,203	0.6	1,424	7,662	0.5
Net income	43,612	3.6	40,498	3.3	3,114	49,099	3.0

CONSOLIDATED STATEMENTS OF CASH FLOWS

(¥ millions)

	Third quarter ended September 30, 2005	Third quarter ended September 30, 2004	Increase (Decrease)	Year ended December 31, 2004
Cash flows from operating activities				
Income before income taxes and minority interests	89,656	87,067	2,589	110,018
Depreciation and amortization	52,486	55,999	(3,513)	74,059
Increase (decrease) in reserves	(2,331)	(6,438)	4,107	12,892
Interest and dividend income	(3,200)	(3,089)	(111)	(4,091)
Interest expense	6,774	7,688	(914)	10,221
Decrease (increase) in notes and accounts receivable, trade	55,454	59,028	(3,574)	(2,662)
Decrease (increase) in inventories	(14,406)	(8,088)	(6,318)	6,283
Increase (decrease) in notes and accounts payable, trade	(13,542)	(7,695)	(5,847)	3,964
Increase (decrease) in liquor taxes payable	(42,045)	(42,169)	124	(173)
Increase (decrease) in consumption taxes payable	(6,842)	-	(6,842)	-
Other	(24,781)	(10,212)	(14,569)	(31,466)
Sub-total	97,220	132,090	(34,870)	179,046
Interest and dividend received	5,182	4,874	308	6,284
Interest paid	(6,849)	(7,688)	839	(9,967)
Income taxes paid	(32,211)	(41,638)	9,427	(47,399)
Net cash provided by operating activities	63,342	87,637	(24,295)	127,963
Cash flows from investing activities				
Payment for purchases of property, plant and equipment and intangible assets	(45,856)	(50,360)	4,504	(69,020)
Proceeds from sale of property, plant and equipment	1,274	4,262	(2,988)	5,261
Payment for purchase of marketable securities and investment securities	(35,238)	(4,188)	(31,050)	(2,758)
Proceeds from sale and redemption of marketable securities and investment securities	17,296	2,912	14,384	18,170
Payment for acquisition of shares of newly consolidated subsidiaries	-	(1,735)	1,735	(963)
Proceeds from sale of shares of subsidiaries excluded from the consolidation scope	7,567	-	7,567	810
Proceeds from acquisition of shares of newly consolidated subsidiaries	-	356	(356)	356
Proceeds from sale of leasing assets and others	9,378	-	9,378	-
Other	(4,141)	6,729	(10,870)	3,891
Net cash used in investing activities	(49,718)	(42,024)	(7,694)	(44,252)
Cash flows from financing activities				
Increase (decrease) in loans	541	9,565	(9,024)	(16,112)
Payment for purchase of treasury stock	(10,465)	(475)	(9,990)	(785)
Proceeds from sale of treasury stock	60	360	(300)	432
Cash dividends paid	(12,004)	(10,740)	(1,264)	(12,088)
Cash dividends paid to minority shareholders	(8,086)	(6,995)	(1,091)	(7,187)
Other	691	(147)	838	(159)
Net cash used in financing activities	(29,264)	(8,433)	(20,831)	(35,901)
Effect of exchange rate fluctuation on cash and cash equivalents	941	358	583	(424)
Net increase (decrease) in cash and cash equivalents	(14,699)	37,537	(52,236)	47,385
Cash and cash equivalents at beginning of year	177,257	129,978	47,279	129,978
Net increase (decrease) in cash and cash equivalents from new consolidation/de-consolidation of subsidiaries	-	25	(25)	(105)
Cash and cash equivalents at end of period (year)	162,557	167,541	(4,984)	177,257

(SEGMENT INFORMATION)

Business segment information

(¥ millions)

Third quarter ended September 30, 2005							
	Alcohol Beverages	Soft Drinks	Pharmaceuticals	Others	Total	Eliminations or Corporate	Consolidated
Sales							
Unaffiliated customers	748,597	278,327	47,947	120,619	1,195,492	-	1,195,492
Inter-segment	1,797	94	-	71,179	73,072	(73,072)	-
Total sales	750,395	278,422	47,947	191,799	1,268,565	(73,072)	1,195,492
Operating expenses	694,874	262,625	36,927	188,255	1,182,684	(72,613)	1,110,070
Operating income	55,521	15,796	11,019	3,543	85,881	(459)	85,421

(¥ millions)

Third quarter ended September 30, 2004							
	Alcohol Beverages	Soft Drinks	Pharmaceuticals	Others	Total	Eliminations or Corporate	Consolidated
Sales							
Unaffiliated customers	770,811	284,877	44,763	123,803	1,224,255		1,224,255
Inter-segment	1,897	101	-	66,800	68,798	(68,798)	-
Total sales	772,709	284,978	44,763	190,603	1,293,054	(68,798)	1,224,255
Operating expenses	717,990	263,146	34,826	184,604	1,200,568	(67,519)	1,133,048
Operating income	54,718	21,831	9,937	5,999	92,486	(1,279)	91,207

Type and nature of products are considered in classification of business segments. Main products by each segment are as follows;

Business segment	Main products
Alcohol Beverages	Beer, Sparkling malt liquor (<i>Happo-shu</i>), New genre, whisky, spirits, wine, etc.
Soft Drinks	Soft drinks and other drinks
Pharmaceuticals	Pharmaceutical products
Others	Engineering, logistics, floriculture, etc.

Unallocable operating expenses included in "Eliminations or Corporate" are as follows.

Third quarter ended September 30, 2005 ¥ 1,349 million, mainly consists of costs for research and development of basic technologies at the Company.

Third quarter ended September 30, 2004 ¥ 2,269 million, mainly consists of costs for new business development and costs for research and development of basic technologies at the Company.

Effective from the current accounting period ended September 30, 2005, the Company changed its accounting method to record rental income and expenses as sales and cost of sales, respectively.

In accordance with this change, the Company reclassifies costs for new business development (551 million is recorded for the current accounting period ended September 30, 2005) which was included in "Eliminations or Corporate" into "Others" segment as the operating expenses of real estate business.

The effect of this change in method of accounting was to increase sales, operating expenses and operating income of the "Others" segment by 4,196 million, 3,406 million and 790 million, respectively for the third quarter ended September 30, 2005 compared with what would have been recorded under the previous method. The effect on other segments of this change is immaterial.

(PRODUCTION, ORDERS RECEIVED AND SALES)

1. PRODUCTION PERFORMANCE

Production performance for the third quarter ended September 30, 2005 classified by the type of business segment was as follows:

Business segment	Amount (¥ million)	Percentage change (%)
Alcohol Beverages	730,787	(2.3)
Soft Drinks	103,695	2.6
Pharmaceuticals	53,834	25.3
Others	48,491	9.5
Total	936,808	0.1

(Note) The amounts are calculated based on sales price without consumption taxes.

2. ORDERS RECEIVED

Orders received for the third quarter ended September 30, 2005 classified by the type of business segment was as follows.

The Company and subsidiaries manufacture their products based on their projection for market demand except for contract manufacture in "Alcohol beverages" and "Soft drinks" segments and inspection machines and others in "Other" segment.

Business segment	Orders received		Backlog	
	Amount (¥ million)	Percentage change (%)	Amount (¥ million)	Percentage change (%)
Alcohol Beverages	429	49.4		
Soft Drinks	1,346	34.9		
Pharmaceuticals				
Others	11,333	73.0	1,279	(8.5)
Total	13,109	67.3	1,279	(8.5)

(Note) The amounts are calculated based on sales price without consumption taxes.

3. SALES PERFORMANCE

Sales performance for the third quarter ended September 30, 2005 classified by the type of business segment was as follows:

Business segment	Amount (¥ million)	Percentage change (%)
Alcohol Beverages	748,597	(2.9)
Soft Drinks	278,327	(2.3)
Pharmaceuticals	47,947	7.1
Others	120,619	(2.6)
Total	1,195,492	(2.3)

(Note) The consumption taxes are not included in the above amounts.

Supplementary Documents
to the
Consolidated
Financial Statements
as of and for the third quarter ended
September 30, 2005

Contents

1. Results of Operations
2. Sales Details
3. Profit Breakdown for the 3rd quarter (Actual)
4. Major Expenses and Others
5. Major Fluctuations of Assets and Liabilities
6. Analysis of Operating Income by Business Segment

KIRIN BREWERY COMPANY, LIMITED

November 11, 2005

Consolidated

1. Results of Operations

(¥ billions)

	2005				2004			
	The 3rd quarter Actual		Annual Forecast (Disclosed on August 10, 2005)		The 3rd quarter Actual		Annual Actual	
Sales (Ratio of consolidated account to Parent Company's account)	1,195.4	1.75	1,650.0	1.75	1,224.2	1.76	1,654.8	1.73
Operating income (Ratio of consolidated account to Parent Company's account)	85.4	1.99	110.0	2.04	91.2	2.05	109.3	2.07
Ordinary income (Ratio of consolidated account to Parent Company's account)	88.1	1.56	109.0	1.63	90.4	1.57	106.5	1.60
Net income (Ratio of consolidated account to Parent Company's account)	43.6	1.15	50.0	1.16	40.4	1.13	49.0	1.21

2. Sales Details

(¥ billions)

	2005				2004			
	The 3rd quarter Actual		Annual Forecast (Disclosed on August 10, 2005)		The 3rd quarter Actual		Annual Actual	
Sales by business segments	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	
Total sales	1,195.4	(2.3%)	1,650.0	(0.3%)	1,224.2	4.3%	1,654.8	3.6%
Alcohol beverages	748.5	(2.9%)	1,033.5	(1.9%)	770.8	1.2%	1,053.2	0.8%
Beer, <i>Happo-shu</i> and New genre	663.4	(3.4%)	910.7	(2.8%)	686.8	0.3%	937.1	0.1%
Other alcohol beverages	85.1	1.4%	122.8	5.8%	83.9	9.0%	116.1	6.5%
Soft drinks	278.3	(2.3%)	379.3	1.9%	284.8	5.5%	372.3	3.6%
Pharmaceuticals	47.9	7.1%	66.0	5.3%	44.7	11.9%	62.7	9.0%
Other business	120.6	(2.6%)	171.2	2.8%	123.8	21.5%	166.5	23.4%
Agribio	19.0	(2.1%)	23.4	1.5%	19.4	(6.6%)	23.0	(3.7%)
Nutrient Food & Feed	23.3	(28.7%)	33.0	(23.1%)	32.7	21.9%	42.9	17.5%
Other	78.2	9.2%	114.8	14.2%	71.6	32.0%	100.5	35.0%

Consolidated

3. Profit Breakdown for the 3rd quarter (Actual)

(¥ billions)

Item	2005 The 3rd quarter	2004 The 3rd quarter	Increase (Decrease)	Reference
Sales	1,195.4	1,224.2	(28.8)	
Increase in Operating income of other subsidiaries			2.0	Lion Nathan 3.2, Kirin Distillery 0.5
Decrease in Operating income of Parent Company			(1.6)	Kirin Well-Foods (0.5), Takeda-Kirin Foods (0.5), Kirin Logistics (0.7), etc
Decrease in Operating income of Kirin Beverage			(6.2)	44.4 42.8 19.4 13.2
Decrease in Operating income	85.4	91.2	(5.8)	
Increase in net of equity in earnings of affiliates			1.8	Kirin-Amgen 1.8, etc.
Increase in net of Non-operating income and expenses of other subsidiaries, etc.			1.1	Lion Nathan 0.7, etc
Increase in net of Non-operating income and expenses of Parent Company			0.4	
Increase in net of Non-operating income and expenses of Kirin Beverage			0.2	
Decrease in Ordinary income	88.1	90.4	(2.3)	
Increase in net of Special income, expenses and Income taxes of Parent Company			3.3	Decrease in Income taxes 1.1
Increase in net of Special income, expenses and Income taxes of Kirin Beverage			2.4	Increase in net of Special income and expenses 2.2
Increase in net of Special income, expenses and Income taxes of other subsidiaries			1.2	Lion Nathan 1.2, etc.
Increase in Minority Interests			(1.4)	(7.2) (8.6)
Increase in Net income	43.6	40.4	3.2	

Consolidated

4. Major Expenses and Others

(¥ billions)

	2005		2004	
	The 3rd quarter Actual	Annual Forecast (Disclosed on August 10, 2005)	The 3rd quarter Actual	Annual Actual
Research and development expenses	19.5	29.5	18.2	28.2
Depreciation	52.4	72.0	55.9	74.0
Financial profit, net	(3.5)	(5.0)	(4.5)	(6.1)
Cash flows	(14.6)	(21.0)	37.5	47.3
Operating activities	63.3	103.0	87.6	127.9
Investing activities	(49.7)	(84.0)	(42.0)	(44.2)
Financing activities	(29.2)	(40.0)	(8.4)	(35.9)

Consolidated

5. Major Fluctuations of Assets and Liabilities

(¥ billions)

	2005 The 3rd quarter Actual	2004 The 3rd quarter Actual	Increase (Decrease)	Reference
ASSETS				
Fixed Assets				
Property, plant and equipment				
Land	154.9	165.0	(10.0)	Decrease due to the adoption of the new accounting standard for the impairment fixed assets, etc.
Investments and Other Assets				
Investment securities	468.3	375.7	92.5	Increase in shares of subsidiaries and affiliates at Parent Company Increase in net unrealized holding gains on securities along with the improvement in stock price at Parent Company, etc.
LIABILITIES				
Current Liabilities				
Deposits received	30.5	47.9	(17.4)	Decrease due to the sales termination of gift coupon at Parent Company, etc.
Long-term Liabilities				
Long-term debt	66.5	93.5	(27.0)	Decrease at Lion Nathan, etc.
Employees' pension and retirement benefits	71.7	80.4	(8.7)	Decrease due to the release from the substitutional portion of the government's welfare pension insurance scheme at Parent Company
Other (*)	71.5	34.6	36.9	Increase in deferred tax liabilities due to increase in net unrealized holding gains on securities along with the improvement in stock price at Parent Company and others, etc.
SHAREHOLDERS' EQUITY				
Net unrealized holding gains on securities	92.4	42.1	50.2	Increase in net unrealized holding gains on securities along with the improvement in stock price at Parent company, etc.

(*) Increase mainly in deferred tax liabilities.

Consolidated

6. Analysis of Operating Income by Business Segment

Fluctuation between the 3 rd quarter of 2005 Actual and the 3 rd quarter of 2004 Actual

(¥ billions)

	Alcohol Beverages	Soft Drinks	Pharmaceuticals	Others	Eliminations or Corporate	Total
Operating income						
– The 3 rd quarter of 2004 Actual	54.7	21.8	9.9	5.9	(1.1)	91.2
Increase (Decrease) in Gross profit	4.6	(3.5)	4.3	0.5	1.8	7.7
Decrease (Increase) in Selling, general and administrative expenses, etc.	(3.8)	(2.5)	(3.2)	(2.9)	(1.1)	(13.5)
Increase (Decrease) in Operating income	0.8	(6.0)	1.1	(2.4)	0.7	(5.8)
Operating income						
–The 3 rd quarter of 2005 Actual	55.5	15.8	11.0	3.5	(0.4)	85.4

KIRIN BREWERY COMPANY, LIMITED

SUMMARY OF NON-CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2005 (UNAUDITED)

November 11, 2005

(English Translation)

Fiscal year ending December 31, 2005

KIRIN BREWERY COMPANY, LIMITED

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

Code No.:	2503
Shares Listed:	Tokyo, Osaka, Nagoya, Fukuoka and Sapporo
Representative:	Mr. Koichiro Aramaki, President
For further information, please contact:	Mr. Kensuke Suzuki, General Manager, Corporate Communications & IR Group, CSR & Communications Division
	Telephone: 81- 3- 5540- 3450 from overseas

1. Items pertaining to preparation of quarterly non-consolidated statements of income, etc

Application of US GAAP: None

Adoption of simple methods in accounting policies: Yes

The estimated effective tax rate is applied for the computation of income taxes

Change in accounting policies: Yes

- Adoption of the new accounting standard, "The partial revision of the accounting standard for pension and retirement benefits"

- Change in accounting method for rental income and expenses from real estate business under which rental income and expenses are recorded as sales and cost of sales, respectively

2. Business results and financial positions for the third quarter of 2005

(January 1, 2005 – September 30, 2005)

[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, 2005	682,410	(2.1)	42,820	(3.6)	56,527	(2.0)
Third quarter ended September 30, 2004	696,784	(0.5)	44,400	(4.7)	57,700	(4.0)
Year ended December 31, 2004	956,969		52,945		66,797	

	Net income (¥ millions)	Percentage change (%)	Net income per share (Primary) (¥)	Net income per share (Diluted) (¥)
Third quarter ended September 30, 2005	37,962	5.8	39.60	
Third quarter ended September 30, 2004	35,897	0.3	37.15	
Year ended December 31, 2004	40,485		41.76	

Notes: Percentage change means the ratio of increase or decrease in each item of business results for the third quarter ended September 30, 2005, to those for the third quarter ended September 30, 2004.

(2) Financial positions:

	Total assets (¥ millions)	Shareholders' equity (¥ millions)	Ratio of shareholders' equity to total assets (%)	Shareholders' equity per share (¥)
September 30, 2005	1,426,626	829,324	58.1	867.04
September 30, 2004	1,361,432	761,769	56.0	788.44
December 31, 2004	1,417,778	776,356	54.8	803.60

3. Forecast of business results for the current fiscal year (January 1, 2005-December 31, 2005)

	Sales (¥ millions)	Ordinary income (¥ millions)	Net income (¥ millions)	Interim dividend per share (¥)	Year-end dividend per share (¥)
Year ending December 31, 2005	944,000	67,000	43,000	7.00	14.00

(Reference) Forecasted net income per share (Year ending December 31,2005) ¥ 44.81

Forecasted operating income (Year ending December 31, 2005) ¥ 54,000 millions

(Note) Forecast of business results stated above has not been changed from the forecast disclosed on August 10, 2005.

NON-CONSOLIDATED BALANCE SHEETS

(¥ millions)

ASSETS	At September 30, 2005		At September 30, 2004		Increase (Decrease) Amount	At December 31, 2004	
	Amount	Percentage over total assets	Amount	Percentage over total assets		Amount	Percentage over total assets
Current Assets		%		%			%
Cash	144,267		144,607		(340)	158,611	
Notes receivable , trade	481		459		22	931	
Accounts receivable , trade	136,674		131,826		4,848	187,002	
Marketable securities	-		50		(50)	-	
Inventories	35,826		37,963		(2,137)	29,907	
Other	38,107		38,119		(12)	44,070	
Allowance for doubtful accounts	(2,172)		(1,980)		(192)	(3,539)	
Total Current Assets	353,185	24.8	351,047	25.8	2,138	416,985	29.4
Fixed Assets							
Property, plant and equipment							
Buildings	118,861		123,388		(4,527)	121,610	
Machinery and equipment	104,032		109,775		(5,743)	107,712	
Land	99,454		109,922		(10,468)	99,618	
Construction in progress	22,100		13,499		8,601	17,160	
Other	27,123		28,292		(1,169)	27,755	
Total	371,573		384,878		(13,305)	373,857	
Intangible Assets	4,465		5,340		(875)	4,983	
Investments and Other Assets							
Investment securities	300,918		251,395		49,523	251,236	
Investments in subsidiaries and affiliates	291,407		263,595		27,812	262,163	
Life insurance investments	36,173		35,642		531	36,447	
Other	73,521		73,760		(239)	76,680	
Allowance for doubtful accounts	(4,617)		(4,228)		(389)	(4,575)	
Total	697,402		620,166		77,236	621,952	
Total Fixed Assets	1,073,441	75.2	1,010,385	74.2	63,056	1,000,793	70.6
TOTAL ASSETS	1,426,626	100.0	1,361,432	100.0	65,194	1,417,778	100.0

(¥ millions)

LIABILITIES AND SHAREHOLDERS' EQUITY	At September 30, 2005		At September 30, 2004		Increase (Decrease) Amount	At December 31, 2004	
	Amount	Percentage over total assets	Amount	Percentage over total assets		Amount	Percentage over total assets
Current Liabilities		%		%			%
Notes payable , trade	893		853		40	780	
Accounts payable , trade	34,379		31,073		3,306	28,973	
Short-term loans payable	73,173		75,695		(2,522)	74,383	
Liquor taxes payable	71,543		71,803		(260)	112,058	
Income taxes payable	10,978		10,555		423	6,541	
Accrued expenses	31,390		30,663		727	37,292	
Deposits received	28,420		45,815		(17,395)	48,858	
Other	22,351		28,030		(5,679)	33,961	
Total Current Liabilities	273,131	19.2	294,490	21.6	(21,359)	342,851	24.1
Long-term Liabilities							
Bonds	110,000		110,000		-	110,000	
Long-term debt	26,270		30,670		(4,400)	26,055	
Employees' pension and retirement benefits	60,954		69,730		(8,776)	62,199	
Other reserves	5,903		5,590		313	5,737	
Deposits received	61,858		63,217		(1,359)	63,270	
Other	59,184		25,964		33,220	31,308	
Total Long-term Liabilities	324,170	22.7	305,173	22.4	18,997	298,570	21.1
TOTAL LIABILITIES	597,302	41.9	599,663	44.0	(2,361)	641,422	45.2
Common stock	102,045	7.1	102,045	7.5	-	102,045	7.2
Capital surplus							
Additional paid-in capital	70,868		70,868		-	70,868	
Other capital surplus	127		102		25	116	
Total Capital surplus	70,995	5.0	70,970	5.2	25	70,984	5.0
Retained earnings							
Legal reserve	25,511		25,511		-	25,511	
Voluntary earned surplus	490,540		465,149		25,391	465,149	
Unappropriated retained earnings	74,173		70,600		3,573	75,188	
Total Retained earnings	590,224	41.3	561,261	41.2	28,963	565,849	39.9
Net unrealized holding gains on securities	90,929	6.4	41,694	3.1	49,235	51,932	3.7
Treasury stock, at cost	(24,871)	(1.7)	(14,203)	(1.0)	(10,668)	(14,455)	(1.0)
TOTAL SHAREHOLDERS' EQUITY	829,324	58.1	761,769	56.0	67,555	776,356	54.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,426,626	100.0	1,361,432	100.0	65,194	1,417,778	100.0

NON-CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Third quarter ended September 30, 2005		Third quarter ended September 30, 2004		Increase (Decrease) Amount	Year ended December 31, 2004	
	Amount	Percentage over sales	Amount	Percentage over sales		Amount	Percentage over sales
		%		%			%
Sales	682,410	100.0	696,784	100.0	(14,374)	956,969	100.0
Cost of Sales	460,208	67.4	481,318	69.1	(21,110)	662,179	69.2
Gross profit	222,201	32.6	215,466	30.9	6,735	294,789	30.8
Selling, general and administrative expenses	179,381	26.3	171,065	24.6	8,316	241,844	25.3
Operating income	42,820	6.3	44,400	6.4	(1,580)	52,945	5.5
Non-operating income							
Interest income	672		440			681	
Dividend income	13,885		12,749			13,807	
Other	3,264		3,805			5,242	
Total	17,823	2.6	16,995	2.4	828	19,731	2.1
Non-operating expenses							
Interest expense	1,561		1,580			2,181	
Other	2,554		2,115			3,697	
Total	4,115	0.6	3,695	0.5	420	5,879	0.6
Ordinary income	56,527	8.3	57,700	8.3	(1,173)	66,797	7.0
Special income							
Gain on Sale of investment securities	1,144		289			296	
Gain on release from the substitutional portion of the government's welfare pension insurance scheme	-					26,162	
Other	2,245		2,577			1,506	
Total	3,389	0.5	2,866	0.4	523	27,965	2.9
Special expenses	1,454	0.2	3,069	0.4	(1,615)	18,345	1.9
Income before income taxes	58,462	8.6	57,497	8.3	965	76,417	8.0
Income taxes	20,500	3.0	21,600	3.1	(1,100)	35,932	3.8
Net income	37,962	5.6	35,897	5.2	2,065	40,485	4.2
Retained earnings brought forward from the prior fiscal year	42,907		40,983		1,924	40,983	
Dividends (interim)	6,696		6,280		416	6,280	
Unappropriated retained earnings	74,173		70,600		3,573	75,188	

Supplementary Documents

to the Non-consolidated Financial Statements

**as of and for the third quarter ended
September 30, 2005**

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1. Results of Operations
2. Sales Details
3. Profit Breakdown for the 3rd quarter (Actual)
4. Major Expenses and Others
5. Major Fluctuations of Assets and Liabilities

KIRIN BREWERY COMPANY, LIMITED

November 11, 2005

Non-consolidated

1. Results of Operations

(¥ billions)

	2005				2004			
	The 3rd quarter Actual		Annual Forecast (Disclosed on August 10, 2005)		The 3rd quarter Actual		Annual Actual	
Sales	682.4	(2.1)	944.0	(1.4)	696.7	(0.5)	956.9	(0.5)
Operating income	42.8	(3.6)	54.0	2.0	44.4	(4.7)	52.9	(5.3)
Ordinary income	56.5	(2.0)	67.0	0.3	57.7	(4.0)	66.7	(7.1)
Net income	37.9	5.8	43.0	6.2	35.8	0.3	40.4	(16.0)

2. Sales Details

(¥ billions)

	2005				2004			
	The 3rd quarter Actual		Annual Forecast (Disclosed on August 10, 2005)		The 3rd quarter Actual		Annual Actual	
Sales volume of								
Alcohol beverages business	thousand KL	Increase (Decrease)	thousand KL	Increase (Decrease)	thousand KL	Increase (Decrease)	thousand KL	Increase (Decrease)
Low alcohol beverages	1,836	0.2%	2,540	1.4%	1,833	(2.4%)	2,505	(1.7%)
Beer (*)	792	(10.7%)	1,099	(9.4%)	888	(3.2%)	1,212	(3.4%)
Happo-shu (*)	626	(18.3%)	806	(23.3%)	767	(4.5%)	1,051	(2.2%)
New genre	241		376					
Subtotal	1,661	0.4%	2,281	0.7%	1,655	(3.8%)	2,264	(2.8%)
Chu-hi (Hyoketsu, Yoi-cha) (*)	162	1.1%	241	9.5%	161	16.9%	220	14.6%
Other	12	(27.6%)	18	(15.4%)	16	(16.9%)	21	(19.9%)
Sales volume by major brands	Million cases		Million cases		Million cases		Million cases	
LAGER	29	(15.7%)	40	(15.4%)	34	(6.3%)	47	(7.3%)
ICHIBAN SHIBORI	30	(6.5%)	43	(4.5%)	32	0.2%	45	0.8%
TANREI	47	(15.3%)	62	(17.5%)	55	(2.4%)	75	(1.1%)
NODOGOSHI NAMA	19		30					
Breakdown of sales								
Sales	682.4	(2.1%)	944.0	(1.4%)	696.7	(0.5%)	956.9	(0.5%)
Alcohol Beverages	627.0	(3.7%)	868.0	(2.8%)	651.4	(1.0%)	892.9	(0.9%)
Low alcohol beverages	606.9	(4.0%)	837.0	(3.1%)	632.0	(1.0%)	863.8	(0.9%)
Beer (*)	318.3	(11.2%)	440.0	(10.2%)	358.3	(3.0%)	489.8	(3.2%)
Happo-shu (*)	183.3	(18.6%)	236.0	(23.6%)	225.3	(0.1%)	308.7	1.0%
New genre	58.7		92.0					
Subtotal	560.4	(4.0%)	768.0	(3.8%)	583.7	(1.9%)	798.6	(1.6%)
Chu-hi (Hyoketsu, Yoi-cha) (*)	43.4	1.2%	65.0	10.8%	42.9	17.7%	58.6	14.9%
Other	3.0	(42.2%)	4.0	(38.7%)	5.3	(23.3%)	6.5	(28.2%)
Shochu, Whiskey, Spirits and Wines, etc.	20.0	3.4%	31.0	6.3%	19.3	(0.5%)	29.1	(1.1%)
Pharmaceuticals	45.4	5.8%	63.0	4.4%	42.9	12.6%	60.3	9.1%
Other	9.8	315.9%	13.0	258.5%	2.3	(41.4%)	3.6	(33.6%)

(*) Exports included.

Non-consolidated

3. Profit Breakdown for the 3rd quarter (Actual)

(¥ billions)

Item	2005 The 3rd quarter	2004 The 3rd quarter	Increase (Decrease)	Reference
Sales	682.4	696.7	(14.3)	
Decrease in labor cost			3.7	Decrease in followings: 58.6 54.9 Salaries 1.2, Bonuses 0.3, Legal welfare expenses (0.0), Employees' pension and retirement benefit expenses 2.1
Increase in marginal profit of pharmaceutical business			2.8	
Decrease in depreciation			1.6	25.1 23.5
Raw materials cost of alcohol beverages			0.0	Price decrease of Rice 0.4 Price increase of Cans and cartons (0.2), etc.
Decrease in marginal profit of alcohol beverages business			(0.4)	Sales decrease in followings: Beer (11.2, 94 thousand KL), <i>Happo-shu</i> (13.5, 140 thousand KL) Decrease in marginal profit of whiskey, spirits (0.5) Sales increase in followings: New genre (25.6, 241 thousand KL), <i>Chu-hi</i> (0.1, 1 thousand KL) Change in product mix, etc.
Increase in factory expenses			(0.6)	Increase in followings: Subsidiary material cost (0.7), Fuel cost (0.3), Equipments and supplies cost (0.3), etc.
Increase in selling cost			(7.2)	Increase in sales promotion and advertising (7.2), etc.
Other			(1.5)	Increase in followings: Costs of outsourcing of sales department and others (2.1), R&D expenses ((0.8), 17.4 18.2), Real estate profit and loss 1.5, etc.
Decrease in Operating income	42.8	44.4	(1.6)	
Increase in net of Non-operating income and expenses			0.4	Increase in financial profit, net 1.3, 11.6 12.9 Decrease in real estate profit and loss (1.4) (Reclassified into operating profit and loss from the current interim accounting period), etc.
Decrease in Ordinary income	56.5	57.7	(1.2)	
Increase in net of Special income and expenses			2.2	Decrease in loss on sales and disposal of fixed assets 1.7 Decrease in gain on sale of land (0.4) Increase in gain on sale of investment securities 0.8 Increase in reversal of allowance for doubtful accounts 0.1, etc.
Decrease in Income taxes			1.1	21.6 20.5
Increase in Net income	37.9	35.8	2.1	

Non-consolidated

4. Major Expenses and Others

(¥ billions)

	2005		2004	
	The 3rd quarter Actual	Annual Forecast (Disclosed on August 10, 2005)	The 3rd quarter Actual	Annual Actual
Research and development expenses	18.2	27.6	17.4	26.2
Labor cost	54.9	73.3	58.6	77.3
Depreciation	23.5	32.7	25.1	33.9
Financial profit, net	12.9	13.5	11.6	12.3

Non-consolidated

5. Major Fluctuations of Assets and Liabilities

(¥ billions)

	2005 The 3rd quarter Actual	2004 The 3rd quarter Actual	Increase (Decrease)	Reference
ASSETS				
Fixed Assets				
Property, plant and equipment				
Land	99.4	109.9	(10.5)	Decrease due to the adoption of the new accounting standard for the impairment fixed assets, etc.
Investments and Other Assets				
Investment securities	300.9	251.3	49.6	Redemption of holding preferred stock Increase in net unrealized holding gains on securities along with the improvement in stock price, etc.
Investment in subsidiaries and affiliates	291.4	263.5	27.9	Acquisition of <i>San Miguel</i> stock, etc.
Other	73.5	73.7	(0.2)	Increase in prepaid pension cost due to the release from the substitutional portion of the government's welfare pension insurance scheme Decrease in deferred tax assets due to increase in net unrealized holding gains on securities along with the improvement in stock price and others, etc.
LIABILITIES				
Current Liabilities				
Deposits received	28.4	45.8	(17.4)	Decrease due to the sales termination of gift coupon, etc.
Long-term Liabilities				
Employees' pension and retirement benefits	60.9	69.7	(8.8)	Decrease due to the release from the substitutional portion of the government's welfare pension insurance scheme, etc.
Other	59.1	25.9	33.2	Increase in deferred tax liabilities due to increase in net unrealized holding gains on securities along with the improvement in stock price and others, etc.
SHAREHOLDERS' EQUITY				
Net unrealized holding gains on securities	90.9	41.6	49.3	Increase in net unrealized holding gains on securities along with the improvement in stock price, etc.