

Supplementary Documents to the Fiscal Year ended December 31, 2005

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Kirin Beverage Corporation
February 17, 2006

1. Results of Operations (Consolidated)

(1,000 cases or millions of yen)

	FY ended December 31, 2005 Results	FY ended December 31, 2004 Results	Change	
			Amount	Percentage
				%
Sales volume	184,587	182,750	1,837	1.0
Net sales	379,366	387,204	(7,838)	(2.0)
Cost of sales	161,265	168,321	(7,056)	(4.2)
Gross profit on sales	218,101	218,882	(781)	(0.4)
[Sales to Gross profit ratio]	57.5%	56.5%	1.0%	
administrative expenses	202,011	199,258	2,753	1.4
[Sales promotion]	100,175	93,370	6,805	7.3
[Advertising]	15,884	16,706	(822)	(4.9)
[Transportation]	26,410	25,482	928	3.6
[Vending machine costs]	4,619	7,256	(2,637)	(36.3)
[Depreciation]	7,376	7,664	(288)	(3.8)
[Research and development]	847	707	140	19.8
[Labor costs]	26,029	26,779	(750)	(2.8)
[Other]	20,668	21,291	(623)	(2.9)
Operating income	16,090	19,623	(3,533)	(18.0)
[Sales to operating income ratio]	4.2%	5.1%	(0.9%)	
Non-operating income	(470)	(1,465)	995	(67.9)
Ordinary income	15,619	18,158	(2,539)	(14.0)
[Sales to ordinary income ratio]	4.1%	4.7%	(0.6%)	
Extraordinary gains (losses)	(3,198)	(1,747)	(1,451)	83.0
Income taxes	7,201	7,410	(209)	(2.8)
Minority interests, (profit) loss	(31)	370	(401)	(108.6)
Net income	5,251	8,629	(3,378)	(39.1)
[Sales to net income ratio]	1.4%	2.2%	(0.8%)	

2. Results of Main Consolidated Subsidiaries

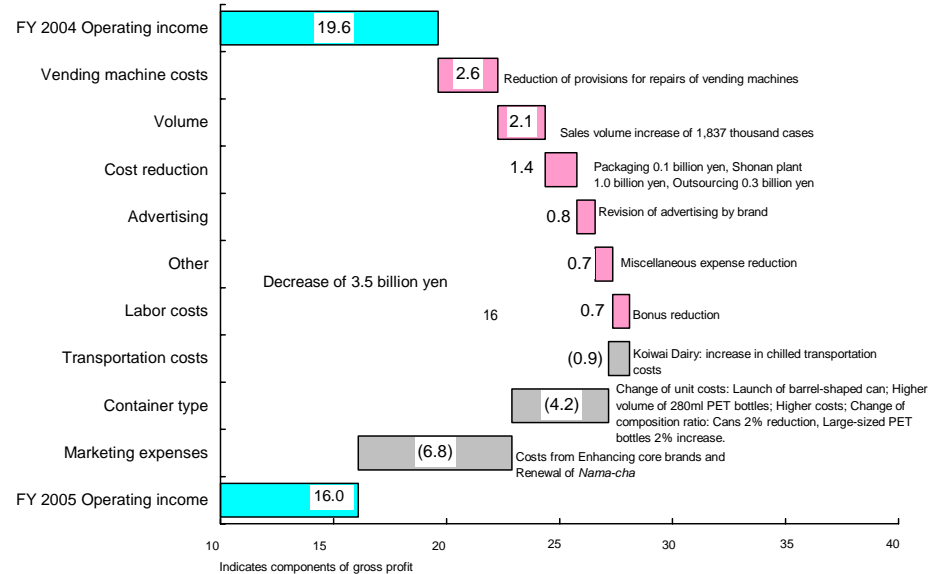
(millions of yen)

	Domestic beverage companies				Overseas beverage companies		Domestic food companies	
	Hokkaido Kirin Beverage Co., Ltd		Kirin MC Danone Waters Co., Ltd.		Shanghai Jin Jiang Kirin Beverage & Food Co., Ltd.		Koiwai Dairy Products Co., Ltd.	
	FY 2005 Results	FY 2004 Results	FY 2005 Results	FY 2004 Results	FY 2005 Results	FY 2004 Results	FY 2005 Results	FY 2004 Results
Sales	20,140	22,742	21,041	17,630	2,661	1,796	46,557	34,357
Operating income	194	172	2,841	2,064	(13)	31	(515)	(50)
[Sales to operating income ratio]	1.0%	0.8%	13.5%	11.7%	(0.5%)	1.7%	(1.1%)	(0.1%)
Ordinary income	167	117	2,823	2,082	(29)	13	(558)	(209)
[Sales to ordinary income ratio]	0.8%	0.5%	13.4%	11.8%	(1.1%)	0.8%	(1.2%)	(0.6%)
Net income	(403)	(600)	1,717	1,054	6	14	(1,657)	(368)
[Sales to net income ratio]	(2.0%)	(2.6%)	8.2%	6.0%	0.3%	0.8%	(3.6%)	(1.1%)

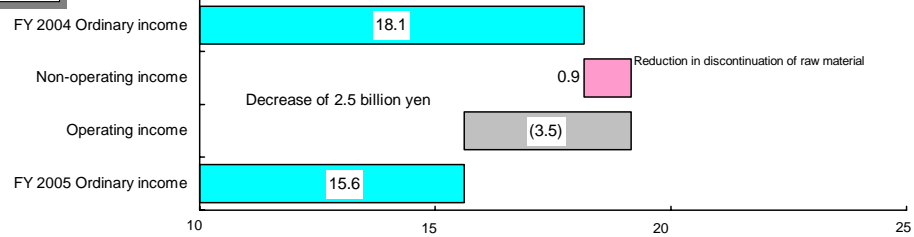
1 yuan = 14.63 yen 1 yuan = 12.59 yen

3. FY ended December 31, 2005 (Consolidated) Factors affecting income levels compared to the previous fiscal year

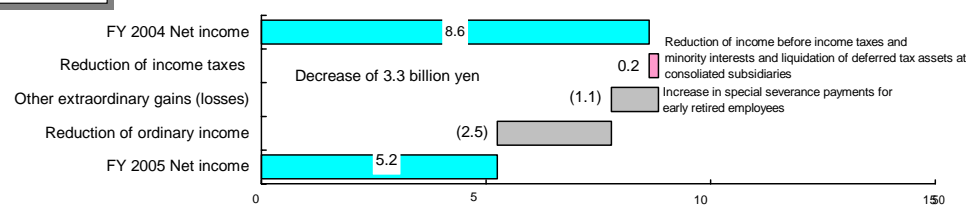
Operating income (billions of yen)



Ordinary income



Net income



4. Consolidated Forecasts

(1000 cases or millions of yen)

	FY 2006 Forecast	FY 2005 Results	Change	
			Amount	Percentage
				%
Sales volume	192,000	184,587	7,413	4.0
Net sales	400,000	379,366	20,634	5.4
Cost of sales	173,000	161,265	11,735	7.3
Gross profit on sales	227,000	218,101	8,899	4.1
[Sales to Gross profit ratio]	56.8%	57.5%	(0.7%)	
Selling, general & administration expenses	209,500	202,011	7,489	3.7
[Sales promotion]	103,400	100,175	3,225	3.2
[Advertising]	14,600	15,884	(1,284)	(8.1)
[Transportation]	27,700	26,410	1,290	4.9
[Vending machine costs]	4,800	4,619	181	3.9
[Depreciation]	7,700	7,376	324	4.4
[Research and development]	1,000	847	153	18.0
[Labor costs]	26,200	26,029	171	0.7
[Other]	24,100	20,668	3,432	16.6
Operating income	17,500	16,090	1,410	8.8
[Sales to operating income ratio]	4.4%	4.2%	0.2%	
Non-operating income	(900)	(470)	(430)	91.3
Ordinary income	16,600	15,619	981	6.3
[Sales to ordinary income ratio]	4.2%	4.1%	0.1%	
Extraordinary gains (losses)	(600)	(3,198)	2,598	(81.2)
Income taxes	6,800	7,201	(401)	(5.6)
Minority interests, (profit) loss	700	(31)	731	(2,288.4)
Net income	8,500	5,251	3,249	61.9
[Sales to Net income ratio]	2.1%	1.4%	0.7%	

5. Forecasts for Main Consolidated Subsidiaries

(millions of yen)

	Domestic beverage companies				Overseas beverage companies		Domestic food companies	
	Hokkaido Kirin Beverage Co., Ltd		Kirin MC Danone Waters Co., Ltd.		Shanghai Jin Jiang Kirin Beverage & Food Co., Ltd.		Koiwai Dairy Products Co., Ltd.	
	FY 2006 Forecast	FY 2005 Results	FY 2006 Forecast	FY 2005 Results	FY 2006 Forecast	FY 2005 Results	FY 2006 Forecast	FY 2005 Results
Sales	20,646	20,140	26,064	21,041	3,365	2,661	49,259	46,557
Operating income	167	194	2,828	2,841	55	(13)	184	(515)
[Sales to operating income ratio]	0.8%	1.0%	10.8%	13.5%	1.6%	(0.5%)	0.4%	(1.1%)
Ordinary income	133	167	2,811	2,823	40	(29)	139	(558)
[Sales to ordinary income ratio]	0.6%	0.8%	10.8%	13.4%	1.2%	(1.1%)	0.3%	(1.2%)
Net income	78	(403)	1,664	1,717	40	6	118	(1,657)
[Sales to net income ratio]	0.4%	(2.0%)	6.4%	8.2%	1.2%	0.3%	0.2%	(3.6%)

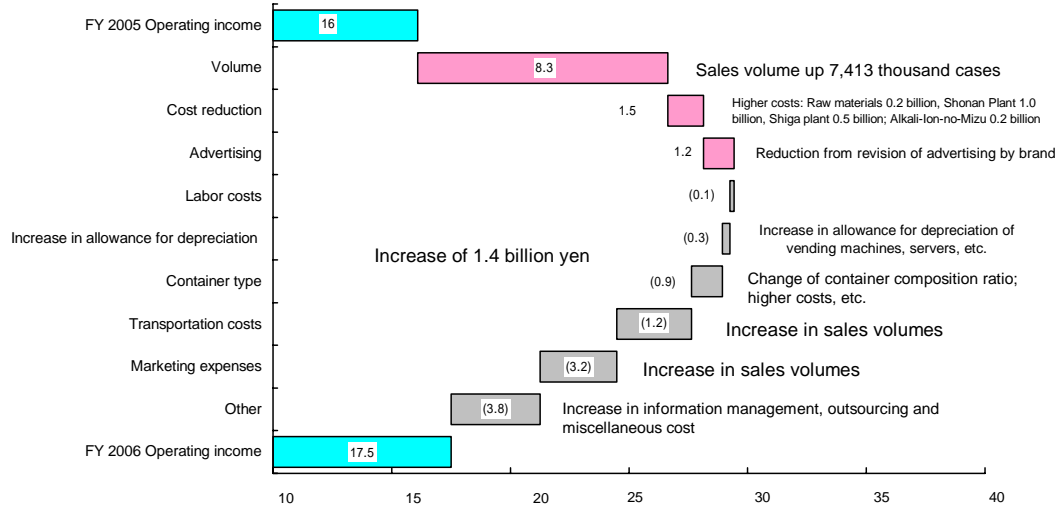
1 yuan = 14.00 yen 1 yuan = 14.63yen

6. Forecast for FY ending December 31, 2006 (Consolidated)

Factors forecast to affect income levels compared to the previous fiscal year

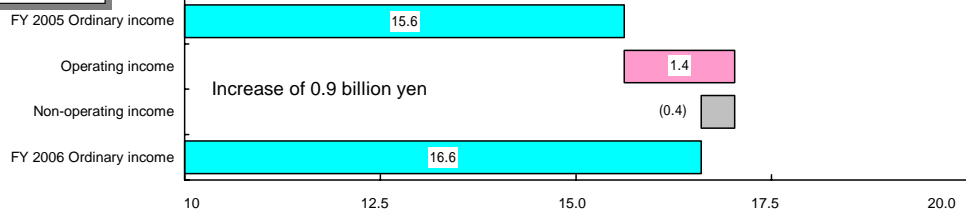
Operating income

(billions of yen)

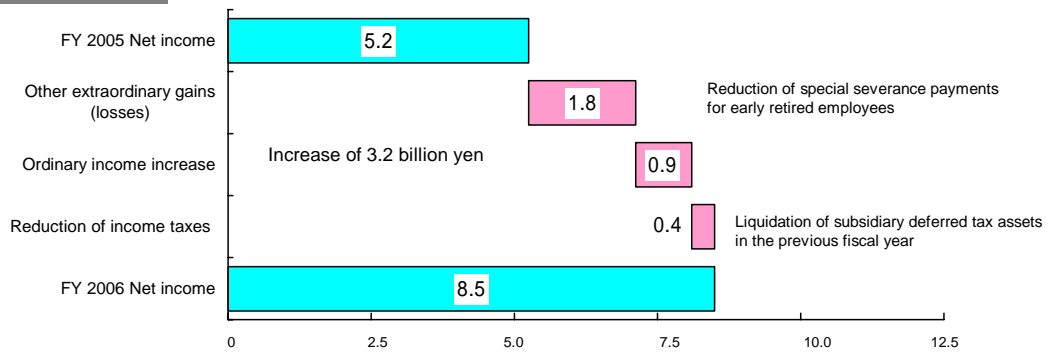


Indicates component of gross profit

Ordinary income



Net income



7. Changes in Main Assets, Liabilities and Shareholders' equity (Consolidated)

(millions of yen)

	FY 2005	FY 2004	Change	Primary Reasons for Change
Assets				
Current assets				
Cash and deposits	6,451	9,137	(2,686)	
Inventories	14,025	12,234	1,791	Increased storage of products and manufactured goods
Short-term loan receivable	23,747	32,763	(9,016)	Reduction in loans to KB Cash Management Systems
Fixed assets				
Property, plant and equipment				
Machinery, equipment and vehicles	16,957	11,495	5,462	KBC: Increase from investment in new production lines: Shonan Plant, KB Shiga Plant
Construction in progress	1,171	6,226	(5,055)	KBC: Reduction from transfer to formal account title
Intangible assets				
Other	5,144	3,342	1,802	KBC: Increase related to new operation management systems
Other assets				
Investments in securities	9,419	2,810	6,609	Increase from acquisition of marketable securities
Deferred tax assets	7,326	8,642	(1,316)	Reduction from review of Deferred tax assets
Liabilities				
Current liabilities				
Notes and accounts payable	38,917	40,457	(1,540)	KBC: Reduction of acquisition of manufactured goods and raw materials Koivai: Increase of acquisition of manufactured goods and raw materials
Accrued payable	15,090	19,548	(4,458)	KBC: Reduction in accrued payable related to facilities
Long-term liabilities				
Long-term debt	11,366	12,553	(1,187)	Vivax: Reduction from transfer to Long-term debt payable within one year
Reserve for vending machine maintenance	7,168	8,421	(1,253)	KBC: Decrease from reduction of transfers and increase of reversals

8. Cash Flow (Consolidated)

(billions of yen)

	FY ended December 31, 2005	FY ended December 31, 2004	Change	FY ending December 31, 2006 Forecast
Cash flow from operating activities	18.8	20.7	(1.9)	19.9
Cash flow from investing activities	(27.9)	(7.5)	(20.4)	(16.7)
Cash flow from financing activities	(2.6)	(5.6)	3.0	(2.6)
Increase (Decrease) in cash and cash equivalents	(11.7)	7.5	(19.2)	0.5

9. Depreciation and Capital Investments (Consolidated)

(billions of yen)

	FY ended December 31, 2005	FY ended December 31, 2004	Change	FY ending December 31, 2006 Forecast
Capital investments	18.3	15.5	2.8	15.8
* Capital investment are on an as-recorded basis				
Depreciation of fixed assets	14.9	12.6	2.3	14.9

Reference Material 1: Results of Operations (Non-Consolidated)

(millions of yen)

	FY 2005 Results	FY 2004 Results	Change		Primary Reasons for Change
			Amount	Percentage	
				%	
Net sales	299,418	324,941	(25,523)	(7.9)	Reduction from transfer of chilled foods operations to Koikawa Dairy Products co., Ltd.
Cost of sales	137,067	154,898	(17,831)	(11.5)	Cost reductions
Gross profit on sales	162,350	170,043	(7,693)	(4.5)	Reduction in sales volumes and changes in proportion of products sold
[Sales to Gross profit ratio]	54.2%	52.3%	1.9%		
Selling, general & administration expenses	148,932	151,543	(2,611)	(1.7)	
[Sales promotion]	76,534	72,516	4,018	5.5	Increased costs from enhancing core brands and renewal of Nama-cha
[Advertising]	15,429	16,400	(971)	(5.9)	Reduction from revision of advertising by brand
[Transportation]	19,138	20,106	(968)	(4.8)	Reduction of chilled transportation costs
[Vending machine costs]	3,693	5,705	(2,012)	(35.3)	Reduction of provisions for repairs of vending machines
[Depreciation]	6,536	6,869	(333)	(4.8)	Reduction of allowance for depreciation for vending machines
[Research and development]	673	611	62	10.1	
[Labor costs]	14,130	15,307	(1,177)	(7.7)	Reduction of Bonus and Retirement benefits
[Other]	12,795	14,025	(1,230)	(8.9)	Reduction of Miscellaneous fees
Operating income	13,418	18,499	(5,081)	(27.5)	
[Sales to operating income ratio]	4.5%	5.7%	(1.2%)		
Non-operating income	916	(709)	1,625	(229.1)	Increase in dividends received
Ordinary income	14,334	17,789	(3,455)	(19.4)	
[Sales to ordinary income ratio]	4.8%	5.5%	(0.7%)		
Extraordinary gains (losses)	(2,327)	(524)	(1,803)	343.8	Increase in special severance payments for early retired employees
Income taxes	4,382	7,400	(3,018)	(40.8)	
Net income	7,625	9,865	(2,240)	(22.7)	
[Sales to net income ratio]	2.5%	3.0%	(0.5%)		

Reference Material 2: Non-consolidated Forecasts

(millions of yen)

	FY 2006 Forecast	FY 2005 Results	Change		Primary Reasons for Change
			Amount	Percentage	
				%	
Net sales	309,000	299,418	9,582	3.2	
Cost of sales	142,000	137,067	4,933	3.6	Cost efficiencies: Raw materials: 0.2 billion yen, Shonan Plant: 0.1 billion yen, Shiga Plant 0.5 billion yen
Gross profit on sales	167,000	162,350	4,650	2.9	Changes in Sales, Unit costs and proportion of goods sold
[Sales to Gross profit ratio]	54.0%	54.2%	(0.2%)		
Selling, general & administration expenses	152,200	148,932	3,268	2.2	
[Sales promotion]	77,700	76,534	1,166	1.5	Increase in sales
[Advertising]	14,000	15,429	(1,429)	(9.3)	Reduction from revision of advertising by brand
[Transportation]	19,900	19,138	762	4.0	Increase in sales
[Vending machine costs]	5,200	3,693	1,507	40.8	Increase from establishing Kirin Maintenance Service
[Depreciation]	6,700	6,536	164	2.5	Increase in Allowance for depreciation of vending machines, servers, etc.
[Research and development]	800	673	127	18.8	
[Labor costs]	12,800	14,130	(1,330)	(9.4)	Decrease from establishing Kirin Maintenance Service
[Other]	15,100	12,795	2,305	18.0	Increase in Information management, outsourcing and miscellaneous expenses
Operating income	14,800	13,418	1,382	10.3	
[Sales to operating income ratio]	4.8%	4.5%	0.3%		
Non-operating income	0	916	(916)	(100.0)	Reduction of Dividends received
Ordinary income	14,800	14,334	466	3.2	
[Sales to ordinary income ratio]	4.8%	4.8%	0.0%		
Extraordinary gains (losses)	(600)	(2,327)	1,727	(74.2)	Reduction of special severance payments for early retired employees
Income taxes	5,600	4,382	1,218	27.8	
Net income	8,600	7,625	975	12.8	
[Sales to net income ratio]	2.8%	2.5%	0.3%		

Reference Material 3: Sales by Category (Consolidated)

(10,000 cases)

Domestic soft drink beverages			Results for FY ended December 31, 2005				Results for FY ended December 31, 2004		Forecast for FY ending December 31, 2006			
			Sales Volume	Composition	Increase (Decrease)	Change	Sales Volume	Composition	Sales Volume	Composition	Increase (Decrease)	Change
Category	Tea drinks	Japanese Tea	3,640	20%	80	102%	3,560	19%	3,950	20%	310	109%
		Oolong Tea	684	4%	161	131%	523	3%	700	4%	16	102%
		Black tea	3,191	17%	(109)	97%	3,300	18%	3,450	18%	259	108%
		Sub-total	7,515	41%	132	102%	7,383	40%	8,100	42%	585	108%
	Functional drinks	1,529	8%	(758)	67%	2,287	13%	950	5%	(579)	62%	
	Coffee	3,191	17%	78	103%	3,113	17%	3,400	18%	209	107%	
	Fruit and vegetable juice	2,130	12%	78	104%	2,052	11%	2,100	11%	(30)	99%	
	Carbonated beverage	636	3%	57	110%	579	3%	650	3%	14	102%	
	Other	3,103	17%	524	120%	2,579	14%	3,570	19%	467	115%	
Domestic soft drink beverage market		18,104	98%	111	101%	17,993	98%	18,770	98%	666	104%	
Overseas markets	Overseas soft drink beverage market total		354	2%	72	126%	282	2%	430	2%	76	121%
Total	Soft drink beverages total		18,458	100%	183	101%	18,275	100%	19,200	100%	742	104%

Reference Material 4: Sales by Container Type (Consolidated)

(10,000 cases)

Soft drink beverages			Results for FY ended December 31, 2005				Results for FY ended December 31, 2004		Forecast for FY ending December 31, 2006			
Container Type	Category	Details	Sales Volume	Composition	Increase (Decrease)	Change	Sales Volume	Composition	Sales Volume	Composition	Increase (Decrease)	Change
Cans	Cans	Including bottle styled cans	4,155	22%	(265)	94%	4,420	24%	4,300	22%	145	103%
PET Bottles	Large-sized PET Bottles	2L	3,526	19%	322	110%	3,204	18%	3,900	21%	374	111%
		1.5L, 1L, 900ml, 750ml	1,393	8%	26	102%	1,367	7%	1,400	7%	7	101%
		Large-sized PET Bottles total	4,919	27%	348	108%	4,571	25%	5,300	28%	381	108%
	Small-sized PET Bottles	500ml	4,784	26%	(210)	96%	4,994	27%	4,900	26%	116	102%
		350ml or less	1,930	10%	314	119%	1,616	9%	1,900	10%	(30)	98%
		Small-sized PET Bottles total	6,714	36%	104	102%	6,610	36%	6,800	36%	86	101%
PET Bottles total		11,633	63%	452	104%	11,181	61%	12,100	64%	467	104%	
Other containers	One-way/Returnable bottles, paper, gifts, etc.		2,316	13%	(76)	97%	2,392	13%	2,370	12%	54	102%
Overseas markets	Soft drink beverages totals		354	2%	72	126%	282	2%	430	2%	76	121%
All containers	Container totals		18,458	100%	183	101%	18,275	100%	19,200	100%	742	104%