

Long-Term Management Vision and Medium-Term Business Plan

Corporate Philosophy

The Kirin Group—Focused on people, nature and craftsmanship to redefine the joy of food and well-being

We pride ourselves on offering products based on what people want.

We pride ourselves on our ability to harness the goodness of nature through innovative technology.

We pride ourselves on delivering tangible satisfaction and quality in everything we make.

All of which ensures that we exceed customers' expectations.

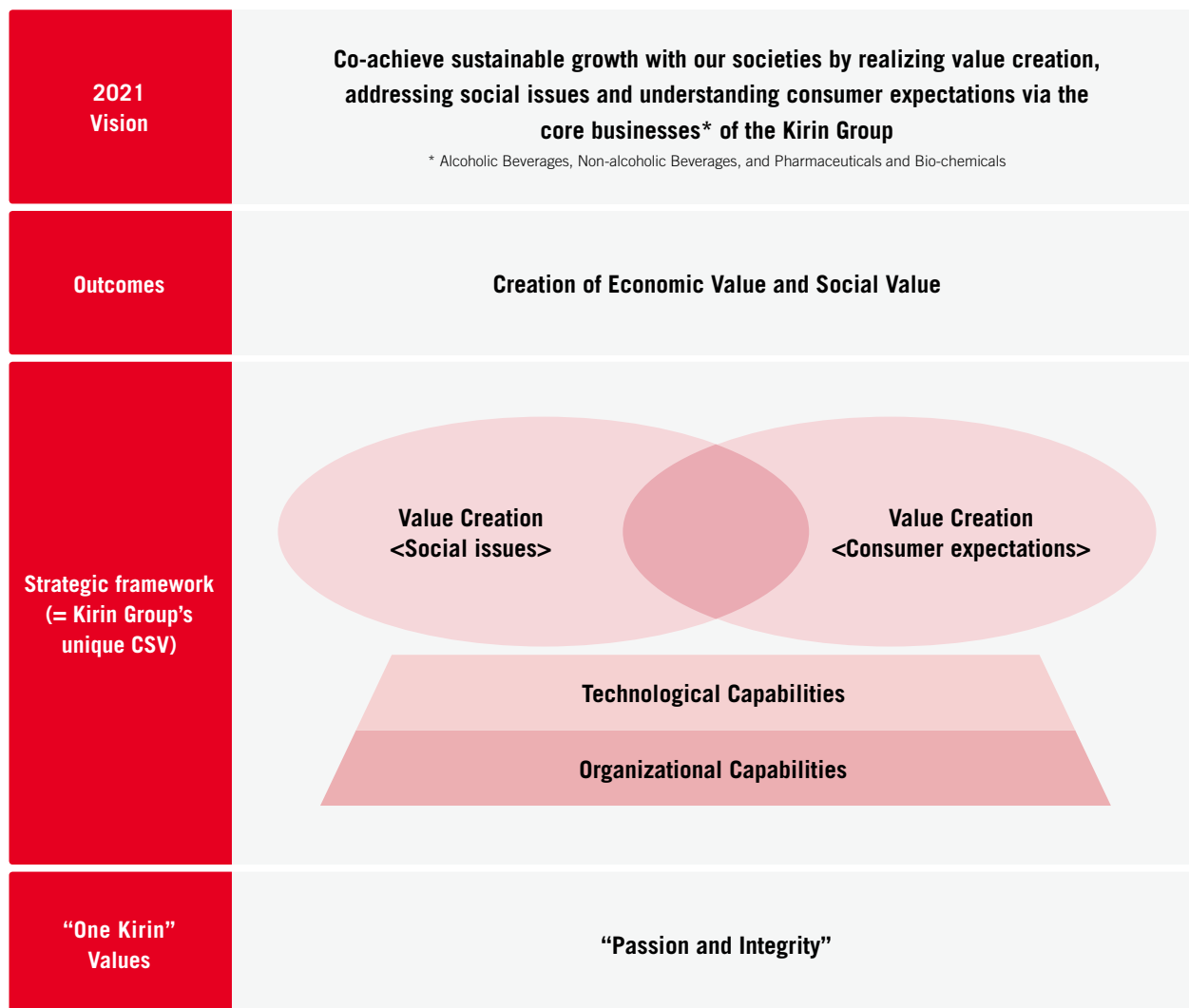
And naturally, we do not stop there.

As we look forward with vision and dreams, we aim to continue offering food and health products that bring new joy to people's lives everywhere.

Always a step ahead, the Kirin Group supports health, pleasure and comfort in your life.

Long-Term Management Vision New KV2021

New Kirin Group Vision 2021



Kirin Group 2016–2018 Medium-Term Business Plan

Basic policy	Restructure and revitalize Kirin, groupwide
Key initiatives	<p>Implement specific strategies in accordance with the positioning of each business</p> <ul style="list-style-type: none"> ▶ Invest, strengthen, and grow profit base in beer businesses (Kirin Brewery, Lion Beer, Spirits and Wine, Myanmar Brewery) ▶ Restructure and revitalize low-profit businesses (Brasil Kirin, Kirin Beverage, Lion Dairy and Drinks) ▶ Invest to achieve outstanding growth in Pharmaceuticals and Bio-chemicals Businesses (Kyowa Hakko Kirin)
2018 quantitative targets	<p>Raising Group profitability is our top priority, targeting increased capital efficiency and sustained growth in shareholder value</p> <p>▶ ROE before amortization of goodwill, etc.: 15% + ▶ Normalized EPS: CAGR 6% +</p> <p><small>Guidance: Fiscal 2018 Group operating income based on achieving above targets: ¥160.0 billion +</small></p>
Financial strategy	<p>Stable shareholder returns through dividends, enhanced financial flexibility</p> <ul style="list-style-type: none"> ▶ Consolidated dividend payout ratio 30% + of normalized EPS ▶ Repayment of interest-bearing debt <p><small>Fiscal 2017 annual dividend forecast: ¥39 per share (Fiscal 2016 annual dividend: ¥39 per share)</small></p>

Recognizing the Challenges and Future Initiatives

▶ Invest, strengthen, and grow profit base in beer businesses

Kirin Brewery — Recovering market share in the *happo-shu* and new genre categories and reform the market structure for domestic beer products

Lion Beer, Spirits, and Wine — Grow earnings behind Lion & Kirin brands post-ABI in Australia

Myanmar Brewery — Grow Myanmar Beer business by expanding the business platform
Strengthen the business base for beer in Asia and Oceania

▶ Restructure and revitalize low-profit businesses

Kirin Beverage — Further strengthening of the brand power and ongoing cost structure reform

Lion Dairy and Drinks — Shift to increased profits on increased sales

Brasil Kirin — Smooth business transference

▶ Invest to achieve outstanding growth in Pharmaceuticals and Bio-chemicals Businesses

Kyowa Hakko Kirin — Approval in Europe and the U.S. for the global strategic product KRN23