

Kirin Group Financial Results for 2010 and Business Approach for 2011

February 10, 2011
Kirin Holdings Company, Limited

Management summary

2010 saw a decrease in sales but an increase in operating income. The pursuit of value proposals tailored to customer needs, coupled with the introduction of lean management predicated on removing strain, waste and irregularities in all areas (as opposed to evaluation based solely on sales volume) is designed to boost profitability and efficiency.

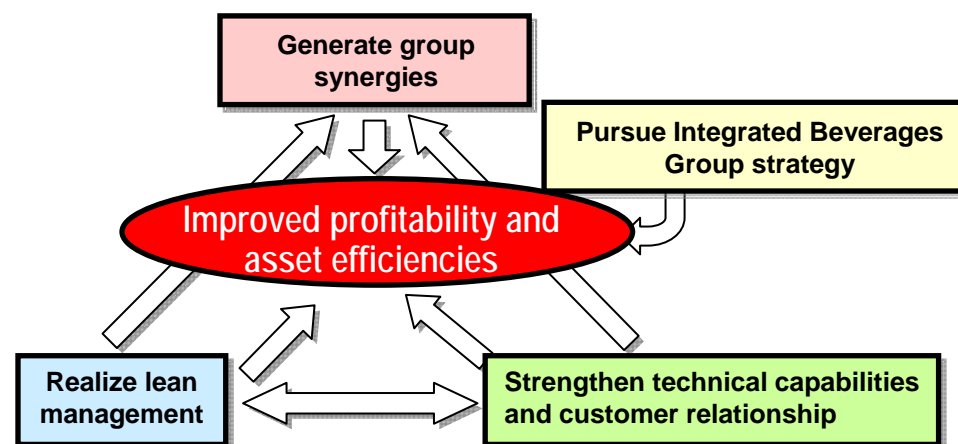
Changes in the business environment greater than anticipated. We will endeavour to strengthen brand marketing of value creation tailored to customer needs for realizing autonomous growth at the foundations in 2011.

In 2011 we will maintain our commitment to “qualitative expansion” and drive the internationalization of Group operations, while accelerating developments in Southeast Asia and China and strengthening our Australian operations.

2010 summary

- 2010, the first year of the medium-term business plan, saw the introduction of customer value creation programs at operating companies
- CCT cost synergies and cost reduction programs at operating companies helped to boost profitability and efficiencies
- Discussions were initiated with Fraser and Neave on generating synergies with a view to establishing a solid foundation for soft drink operations in Southeast Asia

Outline of 2010 business philosophy



Enhancing the transparency and integrity of corporate governance within the Group

- An independent external committee was set up to report on inappropriate fish feed transactions by Mercian. The committee's recommendations, delivered in November, were used as the basis for deliberations on corporate governance.

Quantitative results for 2010

■ Achieved a record of operating income rose 18% year-on-year due to strong sales of domestic flagship lines (alcoholic beverages and soft drinks, large operating income increase of Kyowa Hakko Kirin and structural cost reductions across the Group

Quantitative targets and results		2010 targets	2010 actual	YOY change	Actual relative to target
Net sales excluding liquor tax		1835.0	1835.2	-4.4%	+0.0%
Operating income	Before goodwill amortization	175.0	193.6	+22.7%	+10.6%
	After goodwill amortization	133.0	151.6	+18.0%	+14.0%
Operating income rate (%)	Before goodwill amortization excluding liquor tax	9.5	10.5	+2.3	+1.0
	After goodwill amortization excluding liquor tax	7.3	8.3	+1.6	+1.0
Cash ROE (%)	Before goodwill amortization	8.3	8.8	+0.5	+0.5

(Unit: billion yen)

* 2010 targets based on revised mid-term figures (released August 16)

Guidelines		2010 targets	2010 actual	YOY change	Actual relative to target
Turnover by segment	Alcohol beverages	1095.5	1097.9	+0.0%	+0.2%
	Soft drinks and foods	650.0	638.1	-13.2	-1.8%
	Pharmaceuticals	205.0	210.1	+1.6%	+2.5%
	Other	229.5	231.5	-3.1	+0.9%
	Total (including liquor tax)	2180.0	2177.8	-4.4	-0.1%
Overseas turnover as a proportion of total turnover, excluding liquor tax		25.0	25.0	-2	±0
EBITDA		252.0	269.3	+26.6%	+6.9%
D/E ratio		0.84	0.81	-0.10	-0.03
Total assets turnover ratio		0.65	0.67	-0.03	+0.02

2010 Review 1: Creating customer value

- Product development at operating companies predicated on creating added value
- Working together in group-wide sales field to deliver sales synergies

Integrated Beverages Group strategy

- Product proposals to generate customer value
 - ⇒ Kirin Gogo-no-kocha Espresso Tea, a new value proposal in the black tea market, proved a major hit
 - ⇒ Kirin Free, launched in 2009, spawned a new market in non-alcoholic beer-tasting beverages and continues to grow in popularity
- Collaborations between domestic alcoholic and non-alcoholic beverages operations within the Group
 - ⇒ Kirin Beer Sales Division plays central role selling Kirin Beverages and Mercian products in the on-premise market, and doing well in marketing and make sales increase
- Soft drink operations in Southeast Asia ⇒ Ramping up discussions with Fraser and Neave, looking to create early synergies

Health food and functional food business

- Initial sales of Kirin Plus-i products: Sales = ¥8 billion (160% of start-of-year target)

Rising growth rate of pharmaceuticals business

- | | |
|---|--|
| ■ Business integration contributes to domestic retail | ⇒ strong sales of flagship lines such as NESP and ESPO |
| ■ Faster research and development | ⇒ KW-0761 on target for 2012 launch |
| ■ Robust development structures for the future | ⇒ completion of new research building at Tokyo Research Park |

2010 Review 2: Improved profitability and efficiency

- Improved profitability and efficiency through lean management to eliminate strain, waste and irregularities

CCTs Cost Synergies

- Start-of-year targets achieved (198.6% target attainment), next FY targets brought forward
- Targets achieved in all domains (1. Production/logistics, 2. Procurement, 3. IT/other)

Business portfolio selection, consolidation and integration

- Business portfolio reviewed with stronger focus on Food and Health domain (including sale of Agriobio business)
- Operational reconfiguration within Group to boost management efficiency standards (such as restructuring of Mercian fermented seasoning and processing alcohol operations)

Cash flow increase

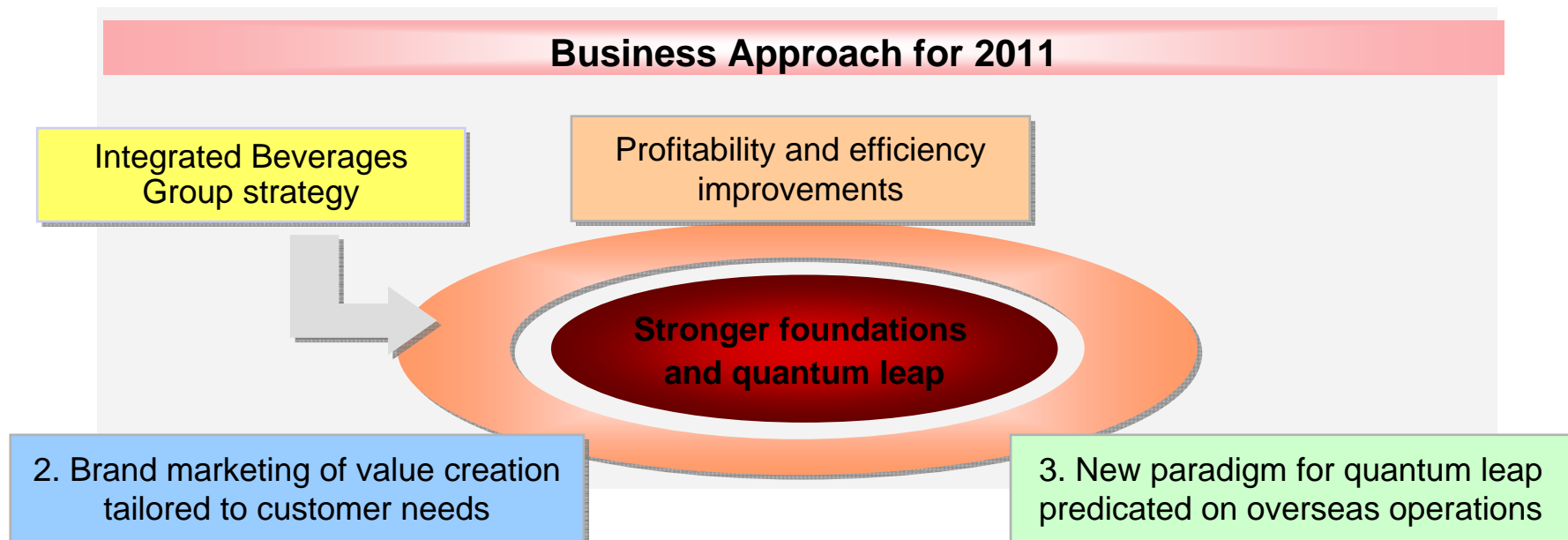
- Sales cash flow = ¥218.0 billion (+14.8% of target)
- Asset liquidation of ¥57.6 billion over the full year. Sale of investment securities and real estate assets as per business plan

Business approach for 2011

- To continue working to create more competitive business fundamentals in order to achieve the targets of the medium-term business plan, while making a quantum leap in overseas operations as a means of promoting rapid growth

Priority areas

1. Profitability and efficiency improvements
2. Brand marketing of value creation tailored to customer needs
3. New paradigm for rapid growth predicated on overseas operations



2011 Business plan (quantitative targets)

- To boost profit creation on a cash basis through improved operating income ratio and capital efficiency
- To pursue customer value creation initiatives geared towards promoting growth in all operations

Quantitative targets and results		2010 actual	2011 targets	YOY change	2012 targets
Net sales excluding liquor tax		1835.2	1810.0	-1.4%	2,130.0
Operating income	Before goodwill amortization	193.6	194.3	+0.4%	231.0
	After goodwill amortization	151.6	152.0	+0.3%	188.0
Operating income rate (%)	Before goodwill amortization excluding liquor tax	10.5	10.7	+0.2	10.8%
	After goodwill amortization excluding liquor tax	8.3	8.4	+0.1	8.8%
Cash ROE (%)	Before goodwill amortization	8.8	10.5	+1.7	over 10%

(Unit: billion yen)

Guidelines		2010 targets	2010 actual	YOY change	Actual relative to target
Turnover by segment	Domestic Alcohol Beverages	928.4	908.0	-2.2%	978.0
	Domestic Non-alcohol Beverages	347.7	342.0	-1.6%	422.0
	Overseas Beverages	403.9	472.0	+16.9%	540.0
	Pharmaceuticals and Biochemicals	405.6	316.0	-22.1%	451.0
	Other	91.9	102.0	+11.0%	99.0
	Total (including liquor tax)	2,177.8	2,140.0	-1.7%	2490.0
Overseas turnover as a proportion of total turnover excluding liquor tax		25	30	+5	29
EBITDA		269.3	312.0	+15.8%	341
D/E ratio		0.81	0.65	-0.16	0.5
Total assets turnover ratio		0.67	0.70	+0.03	over 0.80

* New segments adopted from period ending December 2011 under changes to management approach (see page 22). Sales results for 2010 are based on new configuration.

Change in operating income—breakdown

- Domestic growth (including domestic integrated soft drink and pharmaceutical businesses) to be influenced by consolidated earnings forecast of Kyowa Hakko Kirin
- Increased efforts towards domestic (CCT cost synergies) to exceed targets in medium-term business plan
- Growth in Australian operations involves increased profit planning as determined by local EBIT in a difficult business environment

(Unit: billion yen)

Area	Details	2010 actual	2011 targets	2010-2012 target in medium-term business plan	Major operating companies	Memo
Domestic	Domestic growth mainly through domestic integrated soft drink and pharmaceutical businesses Cost structure reforms at Kirin Brewery and Kirin Beverage	17.7	-11.6	22.2	Kirin Brewery Kirin Beverage Mercian Kyowa Hakko Kirin Kirin Kyowa Foods	Decreased 8.7 billion yen in Pharma and Bio business due to only 3 months reporting period of Kyowa Hakko Chemical
	CCT cost synergy	14.9	9.4	19.1		Targets in the medium-term business plan will be achieved in 2011
Australia	Growth in Australia includes benefits of integration (includes organic, integration benefits, exchange rates and goodwill amortization costs)	-9.3	2.6	18.3	Lion Nathan National Foods	Alcohol and Beverages increased profit planning by local
Total		23.1	0.4	59.6		

Further profitability and efficiency improvements

■ The CCT synergy targets in the medium-term business plan will be achieved in 2011, and aim for further benefits

(Unit: billion yen)

CCT	2010 targets	2010 actual	2011 targets	2010-2012 target in medium-term business plan
Production and logistics	0.8	3.8	4.7	5.0
Procurement	4.6	8.2	4.0	10.1
IT/other	2.1	2.9	0.7	4.0
Total	7.5	14.9	9.4	19.1

Brand marketing of value creation tailored to customer needs

- Strengthening product brands through selection of leading brand categories and concentration of management resources
- Promoting the development of products and categories designed to provide new forms of customer value

Kirin Brewery

- Concentrated investment on leading brands such as Kirin Ichiban Shibori, Nodogoshi (Nama) and Hyoketsu; increased advertising and promotion in combination with product refreshment to enhance the brand
- Creating new forms of customer value that transcend existing categories by combining health consciousness with appealing flavors and are designed for new lifestyles and make use of new production techniques

Kirin Beverage

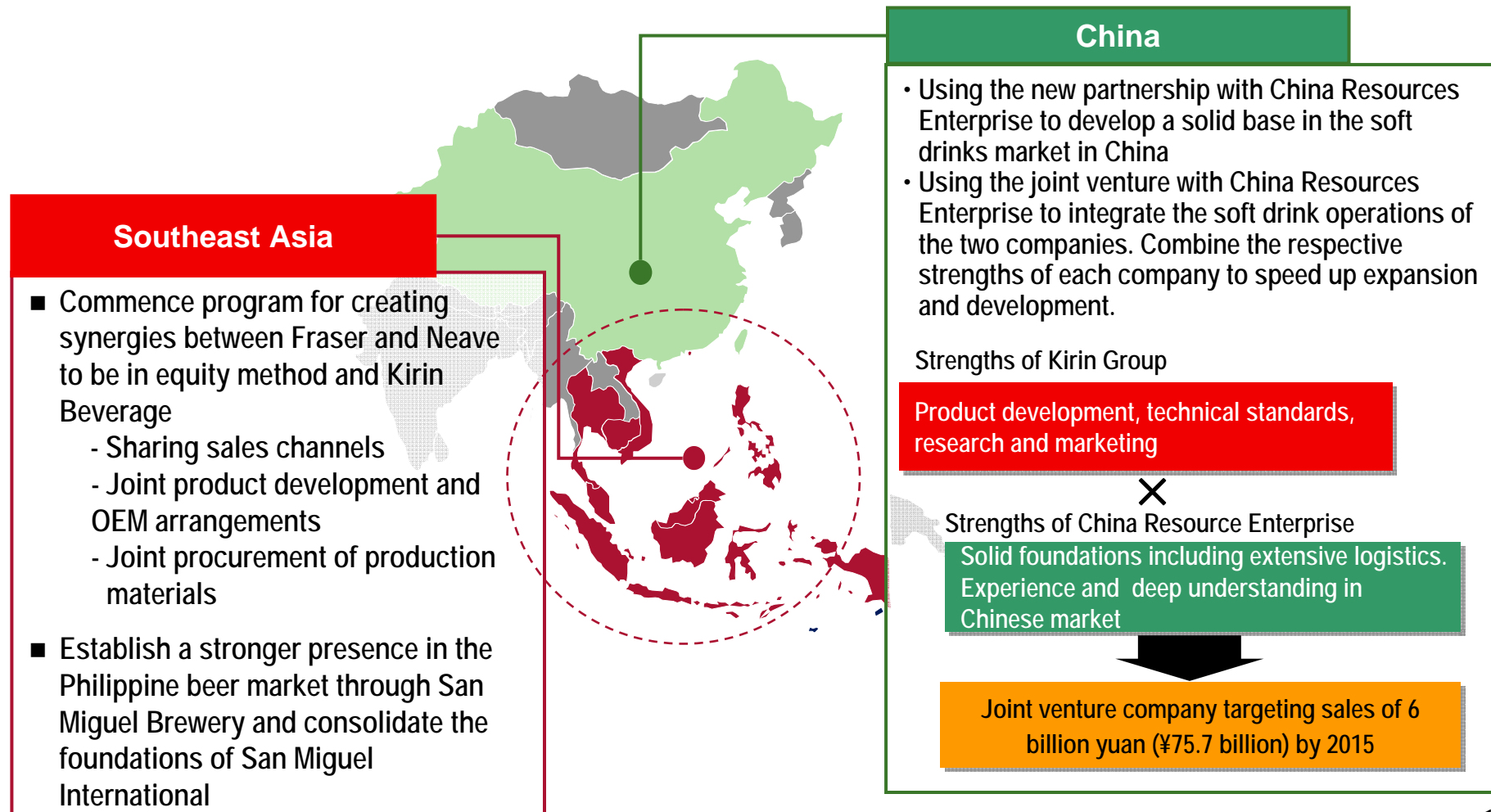
- Stronger focus on core brand products such as Kirin Gogo-no-Kocha and Kirin FIRE
- The challenge to achieve growth and boosting demand for soft drinks through new concepts and proposals that transcend existing categories under the reformed revenue structure.

Mercian

- Concentrated investment on daily wines; enhancing the brand further through additions to the product lineup and product refreshment
- Joint development of new brand proposals with Lion Nathan

Quantum leap in overseas—China and Southeast Asia

- Using the partnership with China Resources Enterprise for establish a leading presence in the rapidly growing soft drink market in China
- Seeking to implement collaborations with Fraser and Neave as quickly as possible



Quantum leap in overseas—China Oceania)

- Alcohol beverage business: Continue and improve the profitability through focusing on the growing categories hand brands.
- Food and Soft Drink business: Improve the business structure through strengthening its core brands and continuing integration and optimization

Australia 2011 business plan

* Sales/EBIT: AUD millions

■ Alcoholic beverages



Sales: 2,439 (increase of 5.6% year-on-year)
EBIT: 644 (increase of 2.5% year-on-year)

■ Soft drinks and foodstuffs



Sales: 3,065 (increase of 31.9% year-on-year)
EBIT: 167 (increase of 70% year-on-year)

- Drive the premiumisation and innovation
- Enhance multi beverage strategy in NZ
- Collaboration within Kirin Group- Mercian



- Focus on core 'power brands'
- Site optimization
- Establish best value chain for future growth
- Strengthen business resilience

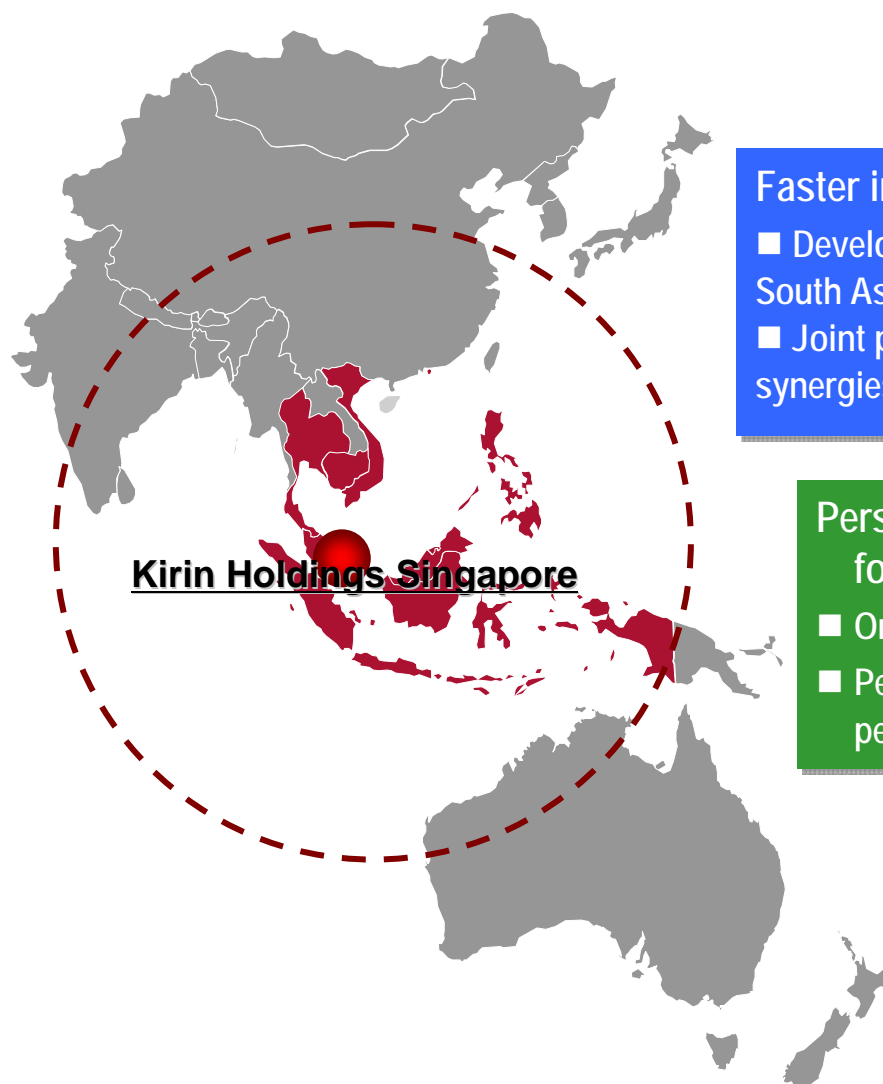


LION NATHAN
NATIONAL FOODS

Sales: 5,504 (increase of +18.7% year-on-year)
EBIT: 706 (increase of +5.9% year-on-year)

Kirin Holdings Singapore

- Kirin Holdings Singapore has responsibility for the entire Southeast Asia region. Faster development of operational structure transferred of control from Japan



Faster implementation of Integrated Beverages Group strategy

- Development and implementation of regional growth strategies in South Asia
- Joint product development to use geographical proximity and create synergies with good use of group resources and strength

Personnel deployment designed to strengthen operational foundations

- On-site Japanese staff and Local hiring practices
- Personnel exchange programs designed to cultivate a global perspective among employees

Engage in CSR activities that enhance KIRIN's coexistence with society

- The Kirin Group considers fulfilling CSR an integral part of its business management, Helping realize a sustainable society with CSR through business and CSR as a corporate citizen

Becoming a low-carbon corporate group

Quantative Targets

- Halve total value chain CO2 emission by 2050 compared to 1990
- Reduce CO2 emission from manufacturing, distribution and office activities by at least 1% per year through 2050
- Reduce domestic CO2 emissions from manufacturing, distribution and office activities by 35% by 2015 compared to 1990

Reduced use of resources such as modal shift

<Key Action>

Reduce use of energy by development of new use of byproduct, weight saving of packages as well

Environmentally friendly product such as adopting recyclable material

Preventing driving under influence

With the 0.00% alcohol Kirin FREE beer-taste beverage, Kirin is enhancing to help curb driving under the influence



Sponsoring Japan's national soccer team

Kirin is joining with fans to support Japan's national team to become the world's top 10



Right: J.LEAGUE PHOTOS Oct. 8th 2010 Kirin Challenge Cup 2010 the Japan-Argentina match, Japan National team
Left: Kirin soccer field 2010

2010 Financial Results

Summary of 2010 financial statements

■ Achieved a record of operating income rose 18% year-on-year due to strong sales of domestic flagship lines (alcoholic beverages and soft drinks, large operating income increase of Kyowa Hakko Kirin and structural cost reductions across the Group

	(Unit: billion yen)		
	2009actual	2010actual	YoY change
Alcohol beverages	1097.6	1097.9	+0.0
Soft drinks and foods	735.0	638.1	-13.2
Pharmaceuticals	206.7	210.1	+1.6
Others	238.9	231.5	-3.1
Net sales	2278.4	2177.8	-4.4
Operating Income before goodwill amortization	157.7	193.6	+22.7
(Goodwill amortization)	-29.3	-42.0	—
Operating income	128.4	151.6	+18.0
Equity in earning of affiliates	8.9	9.4	+6.5
Exchange rate profit/loss	18.9	-4.9	—
Ordinary income	144.6	140.9	-2.5
Special income and expenses	-52.0	-60.6	—
Net income	49.1	11.3	-76.8

- Combined benefit of brand strengthening and record heatwave in Japan
- Decrease of Operating income : Mainly by NF's financial term change.
- Operating income buoyed by profitability improvements at all companies and high value of Australian dollar (year-on-year comparison)
- Large increase in Kyowa Hakko Kirin with strong sales of core products and improvement in business performance of chemical business
- Drop in ordinary income attributable mainly to reaction against foreign exchange rate profits in previous fiscal year
- Increase of Extraordinary expense: Mainly by NF's impairment and loss of Mercian's inappropriate transaction

2011 forecasts

- Operating income slightly increases, Net income large rises
- Improved profitability and efficiency at all operations complemented by higher return on investment under equity method

(Unit: billion yen)

	2010 actual	2011 actual	YoY change
Alcohol beverages	928.4	908.0	-2.2
Non-alcohol beverages	347.7	342.0	-1.6
Overseas beverages	403.9	472.0	+16.9
Pharmaceuticals/Biochemical	405.6	316.0	-22.1
Others	91.9	102.0	+11.0
Net sales	2177.8	2140.0	-1.7
Operating Income before goodwill amortization	193.6	194.3	+0.4
(Goodwill amortization)	-42	-42.3	-
Operating income	151.6	152.0	+0.3
Equity in earnings of affiliates	9.4	13.5	+43.6
Ordinary income	140.9	148.0	+5.0
Special income and expenses	-60.6	1.0	-
Net income	11.3	58.0	+409.0

■ Sales volume of operating companies expected to fall from constant (year-on-year basis) to slight decrease due to difficult market environment

■ Kyowa Hakko Chemical consolidated figures are for January-March only; overall, revenue is expected to fall as a result

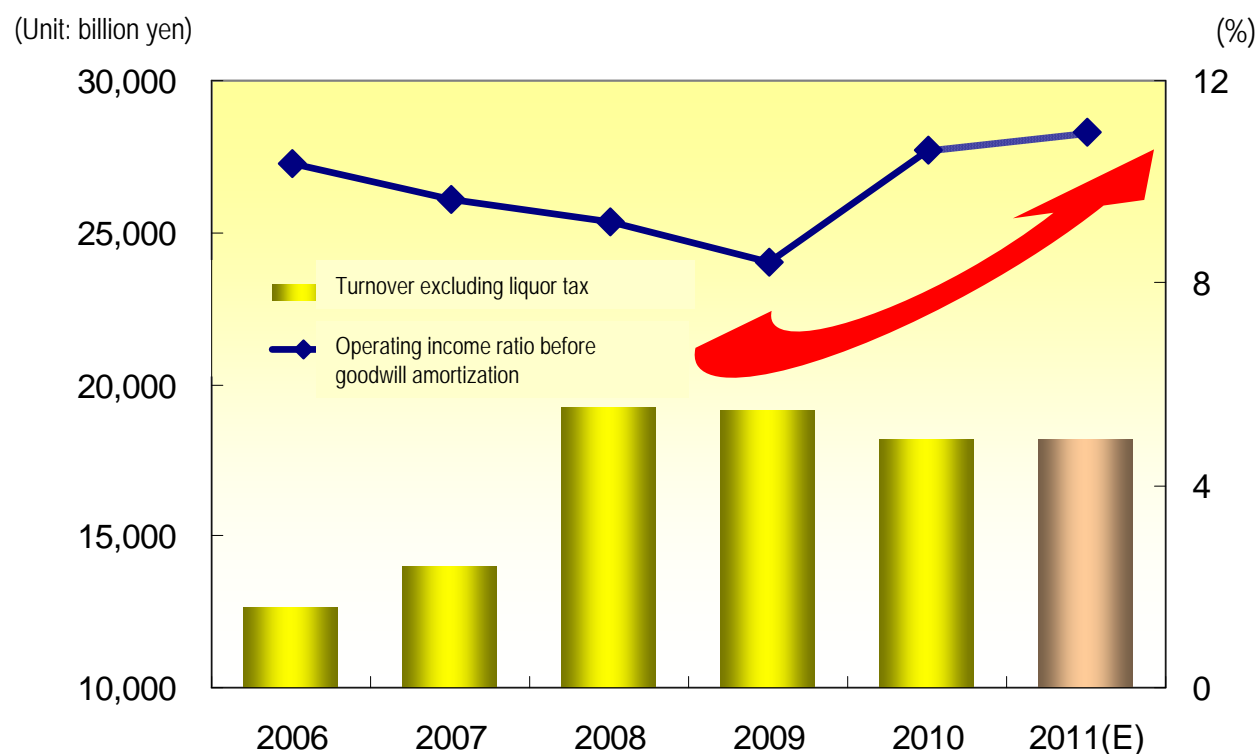
■ Profit decrease due to the above factors will be offset by improved profitability and efficiency across all operations, resulting in a minor increase in operating profits

■ Contribution of investment return in Fraser and Neave through equity method

■ Net profits large increase due to extraordinary loss in previous fiscal year

Operating income ratio before goodwill amortization

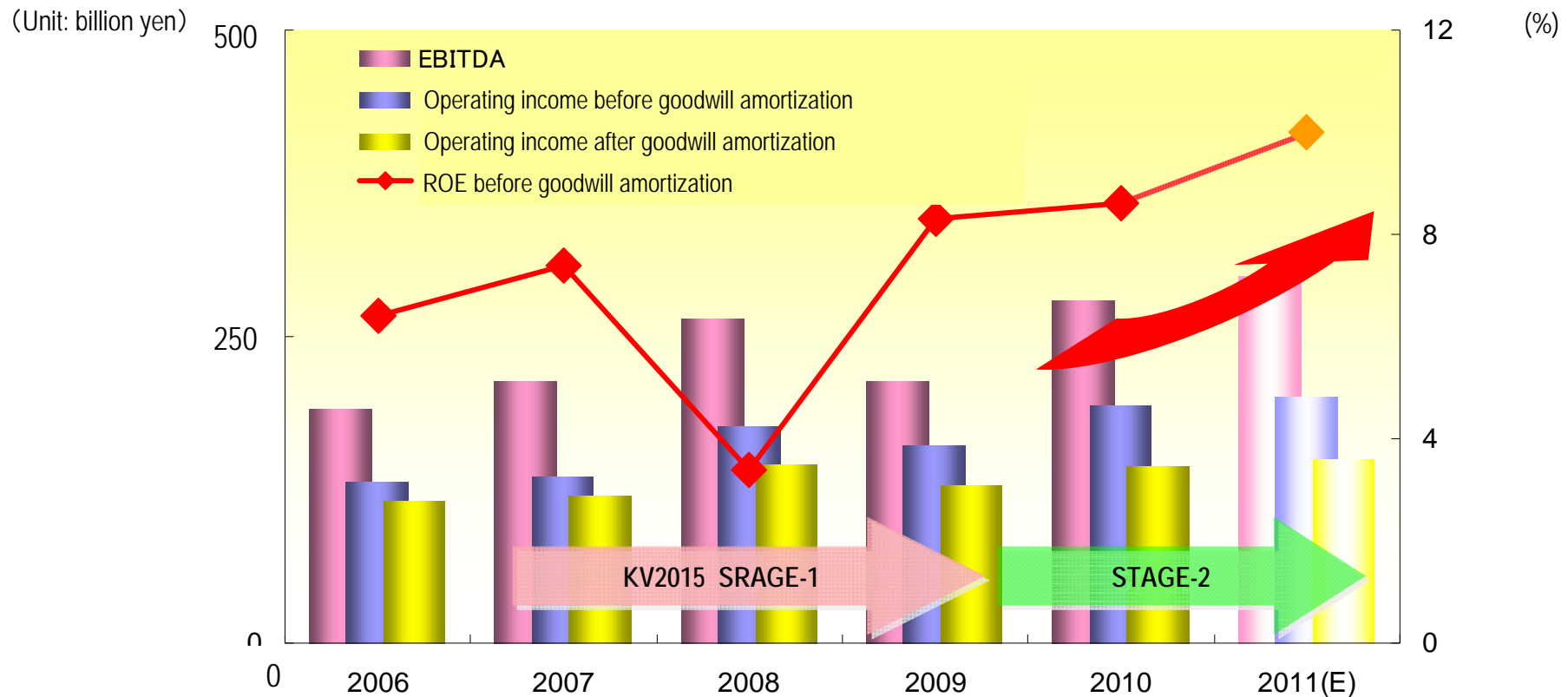
- Stronger focus on qualitative expansion saw increase in operating income ratio before goodwill amortization during 2010
- 2010 target in medium-term business plan (10.8%) has been brought forward



* 2010 sales have dropped in year-on-year terms due to the change in accounting period for financial reporting of soft drink and foodstuff operations in Australia.

Improved profitability on cash basis

- EBITDA, operating income prior to goodwill amortization and cash ROE continued to increase steadily during 2010, a period of qualitative expansion
- 2010 cash ROE target in medium-term business plan (at least 10%) has been brought forward



Goodwill amortization	14.4	14.4	31.0	33.0	49.6	51.0
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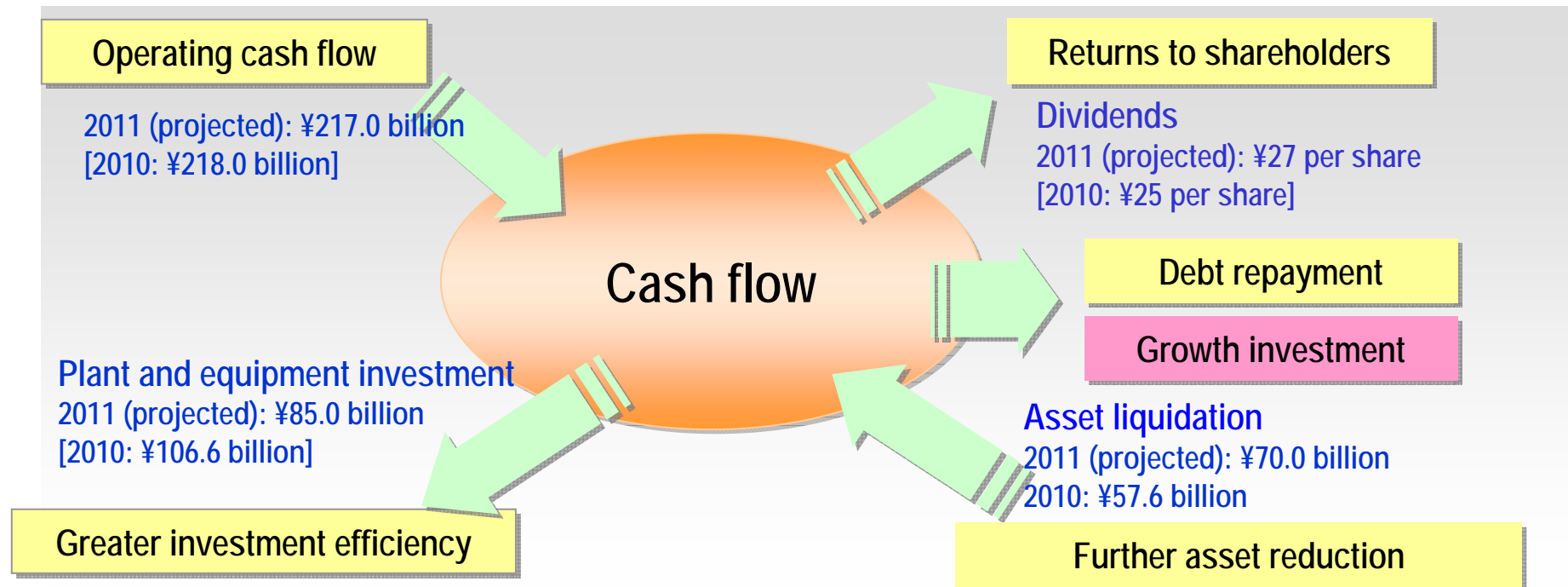
* EBITDA and ROE figures for 2008 do not include gain on change in equity associated with stock swap with the former Kyowa Hakko Kogyo

* Goodwill amortization figures include affiliates subject to equity method

Financial strategies

■ Generating cash flow to consolidate the financial fundamentals

Overview of financial strategies for 2011

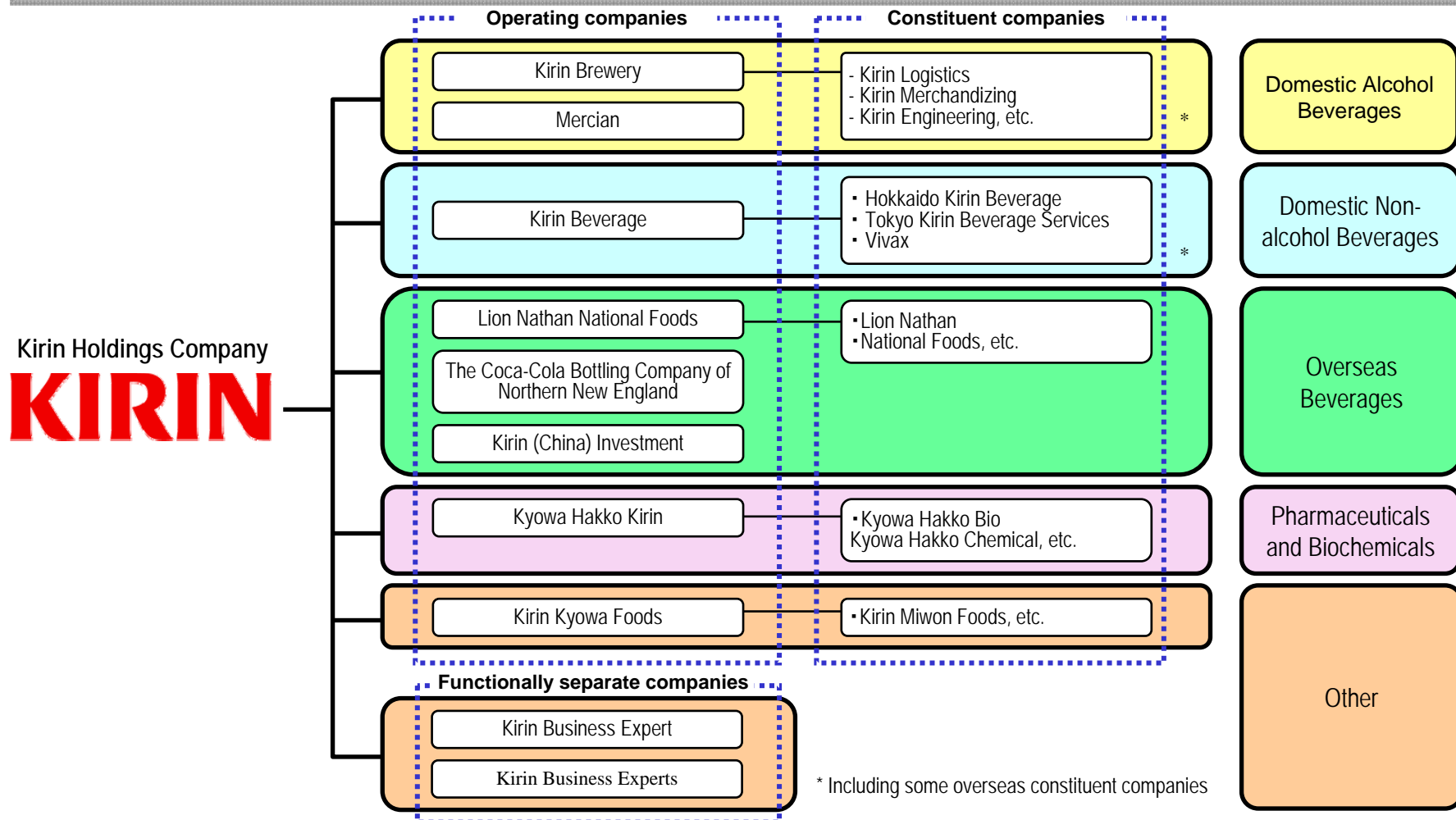


- Returns to shareholders
 1. Dividends: at least 30% of consolidated payout ratio; aiming to increase dividends in line with substantive profit increases, bearing in mind the impact of amortization of goodwill associated with growth investment
 2. Share buyback: to be considered, depending on the rate of qualitative and provided that it does not compromise the credit rating in the medium to long term
- Capital structure D/E ratio allowed to peak at approximately 1.0; need financial flexibility to achieve medium-term guide of 0.5
- Growth investment Pursue investments that are consistent with principles of medium-term business plan KV2015 and can demonstrate operational profitability and investment efficiency

Appendices

Segment classification under the new management approach

- Segment classifications have changed from operational type to reporting type under the new management approach
- Operations with similar economic characteristics have been merged while retaining the integrity of operating companies as autonomous units



Consolidated results period list

FY2009

	FY2008				FY2009											
	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Kirin Holdings																
Kyowa Hakko Kirin																
Lion Nathan																
National Foods																
San Miguel Brewery																
San Miguel																

FY2010

	FY2008				FY2009											
	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Kirin Holdings																
Kyowa Hakko Kirin																
Lion Nathan National Foods *1																
Lion Nathan National Foods *2																
San Miguel Brewery																

FY2011

	FY2008				FY2009											
	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Kirin Holdings																
Kyowa Hakko Kirin																
Lion Nathan National Foods *1																
Lion Nathan National Foods *2																
San Miguel Brewery																
Fraser and Neave limited																

Accounting period of Kirin Holdings

Subsidiary

Affiliated company

Goodwill amortization list for FY2011

Billion yen	Year of Invest- ment	①+②+③																
		①+②							Depreciation									
									Kirin Holdings Investment				Goodwill			Brand		
									Amorti- zation①	Balance remaining	Year remaining		Amorti- zation②	Balance remaining	Year remaining	Amorti- zation③	Balance remaining	Year remaining
LION NATHAN LTD	1998	2.5	16.8	7	1.0	1.6	2	3.6	5.7	6.8	2	9.4						
LION NATHAN LTD Wholly-owned subsidiary since 2009 4Q	2009	13.4	242.9	18	—	—	—	13.4	—	—	—	13.4						
J Boags & Son Pty Ltd	2008	1.3	8.2	7	—	—	—	1.3	0.4	3.0	7	1.8						
National Foods Ltd	2007	6.3	102.7	17	—	—	—	6.3	2.3	37.6	17	8.6						
Kirin Beverage	2006	2.0	28.9	15	—	—	—	2.0	—	—	—	2.0						
Kyowa Hakko Kirin Kirin Kyowa Foods	2007	6.8	111.4	17	—	—	—	6.8	—	—	—	6.8						
San Miguel Brewery Inc. (Affiliated company)	2009	5.9	104.7	18	—	—	—	5.9	1.6	28.5	18	7.6						
Other **		1.1	—	—	—	—	—	1.1	—	—	—	1.1						
Total		39.7			1.0			40.7	10.2			51.0						

* ①+② Amortization of goodwill

* ③ Depreciation

* ①・②・③ Amortization of good will etc.

** Approx. ¥1 billion of Amortization of goodwill etc. of Fraser and Neave Limited included (estimate as of Feb 11th in 2011)

Forex sensitivity (Australian dollars)

Impact of changes in foreign exchange (AU\$) on operating results (compared to previous fiscal year)

(Billion Yen)

	2010 Actual	2011 Forecast
Sales	42.1	(0.8)
Operating Income	2.9	(0.1)

Reference: Increase of 1yen in the AU\$ exchange rate equates:

FY2011(E) a loss in sales of ¥5.5billion , a loss in operating income of ¥0.3billion

***After consideration on impact from reporting period change for NFL**

Foreign exchange chart

(Yen)

Average rate for the period used for the income statement:	2009 Actual	2010 Actual	2011 Forecast
Lion Nathan National Foods Alcohol Beverages	70.04	80.42	80.00
Lion Nathan National Foods Non-alcohol Beverages	74.57	79.95	80.00

Lion Nathan National Foods sales and operating income (A\$)

		FY2010 ^{*1 *2}		FY2011 ^{*1 *3}	
		Actual	YOY change	Forecast	YOY change
		A\$ million	%	A\$ million	%
Sales	Alcoholic beverages	2,310	3.1	2,439	5.6
	Soft drinks ^{*5}	2,324	(34.7)	3,065	31.9
	Total	4,635	(20.1)	5,504	18.7
Operating income ^{*4}	Alcoholic beverages	628	13.6	644	2.5
	Soft drinks ^{*5}	98	(37.0)	167	70.0
	Corporate expenses	(59)	-	(105)	-
	Total	666	(5.9)	706	5.9

*1 KH consolidated accounts basis

*2 For period October 2009 to September 2010 (January – September 2010 for soft drinks due to change in accounting period)

*3 For period October 2010 to September 2011

*4 Prior to goodwill and brand amortization

*5 Figures for FY2010 are Lion Nathan National Foods values in the former Soft drinks and Foods segment

Product lineup / LNNF (Alcohol Beverages)

おいしさを笑顔に

KIRIN

Australia



New Zealand



Wine



Product lineup / LNNF (Non-alcohol Beverages)

おいしさを笑顔に
KIRIN

Milk



Flavored Milk



Juice



Cheese



Fresh Dairy



Expansion of non-alcohol beverage business in China (JV with China Resources Enterprise)



Strengths of China Resources Enterprise (CRE)

- High profitability and growth rate of water business
 - Low cost operations
 - Strong distribution network that covers approx. 400,000 retail stores mainly in South China
 - C'estbon brand boasts No.1 market share in bottled water products (23%*) in Guangdong, the biggest non-alcohol beverage market in China
- Distribution network of CRE group
 - Retail network of over 3,000 supermarkets throughout China, and the possibility of using the fine channels of CRE Snow
- Experience and deep understanding in Chinese market



*1 2009 figures from the China Beverage Industry Association

Strengths of Kirin

- Product development capabilities and technology in developing value-added non-alcohol beverages
 - Successful result in China ("Gogo-no-Kocha"), wealth of appealing new product ideas for the Chinese market
- Production facilities and sales network in East China



Key JV strategies: Aiming to be a leading player in the Chinese non-alcohol beverage market

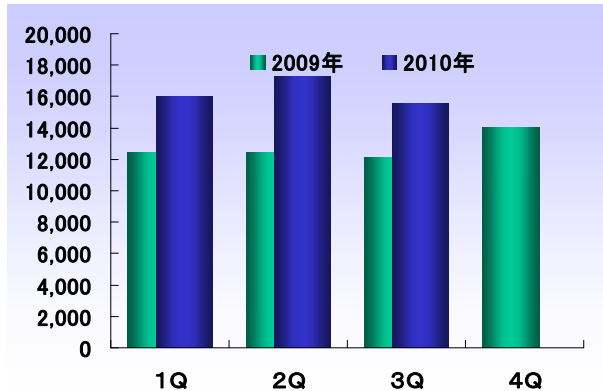
- Product strategy
 - Enhancement of channels through expanding mineral water business in addition to existing water business
 - Introducing value-added non-alcohol beverage products into the enhanced platform
- Area strategy
 - Further enhancement of existing platform in South China
 - Expanding coverage in South West China, East China and North China, particularly in major cities
 - Boosting sales in regional cities (Tier 3-4) where CRE has strong presence
- Profitability
 - Maintain high growth rate exceeding market average
 - Pricing strategy according to each area
 - Controlling cost management, and improving profitability

JV 2015 targets
Sales: 6 billion RMB (75.7 billion JPY)
EBIT margin: over 7%

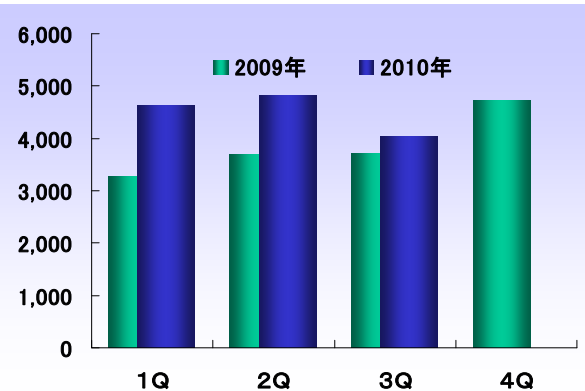
San Miguel Brewery

In 2010, sales remained strong backed by the steady growth of the Philippine economy as well as the increased consumption during elections

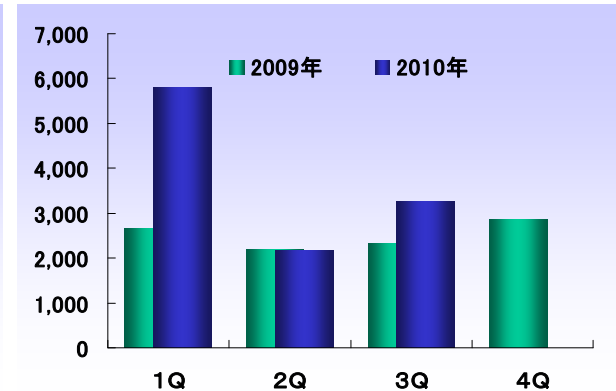
SALES



OPERATING INCOME



NET INCOME



(Million Philippine Peso Source: San Miguel Brewery's Homepage)

San Miguel Brands

Upper
Premium



Premium



Upper
Popular



Popular



Economy



Non-
Alcoholic



Kirin Brewery Products and sales strategies in 2011



Domestic

1. Strengthening the brand through selection and concentration

- Concentrating resources on growth categories and best-performing brands



2. Creating value geared towards new products, categories and business models

- Keeping up to date with the needs of customers
- Utilizing product and technology development expertise for innovation



3. Making greater use of value proposal marketing

- Kirin Beer Marketing (to be established in 2012)
- Developing proposals as a general liquor supplier incorporating foreign liquors from Diageo and wines from Mercian
- Pursuing Integrated Beverage Group strategy through sales programs coordinated with Kirin Beverage and Mercian

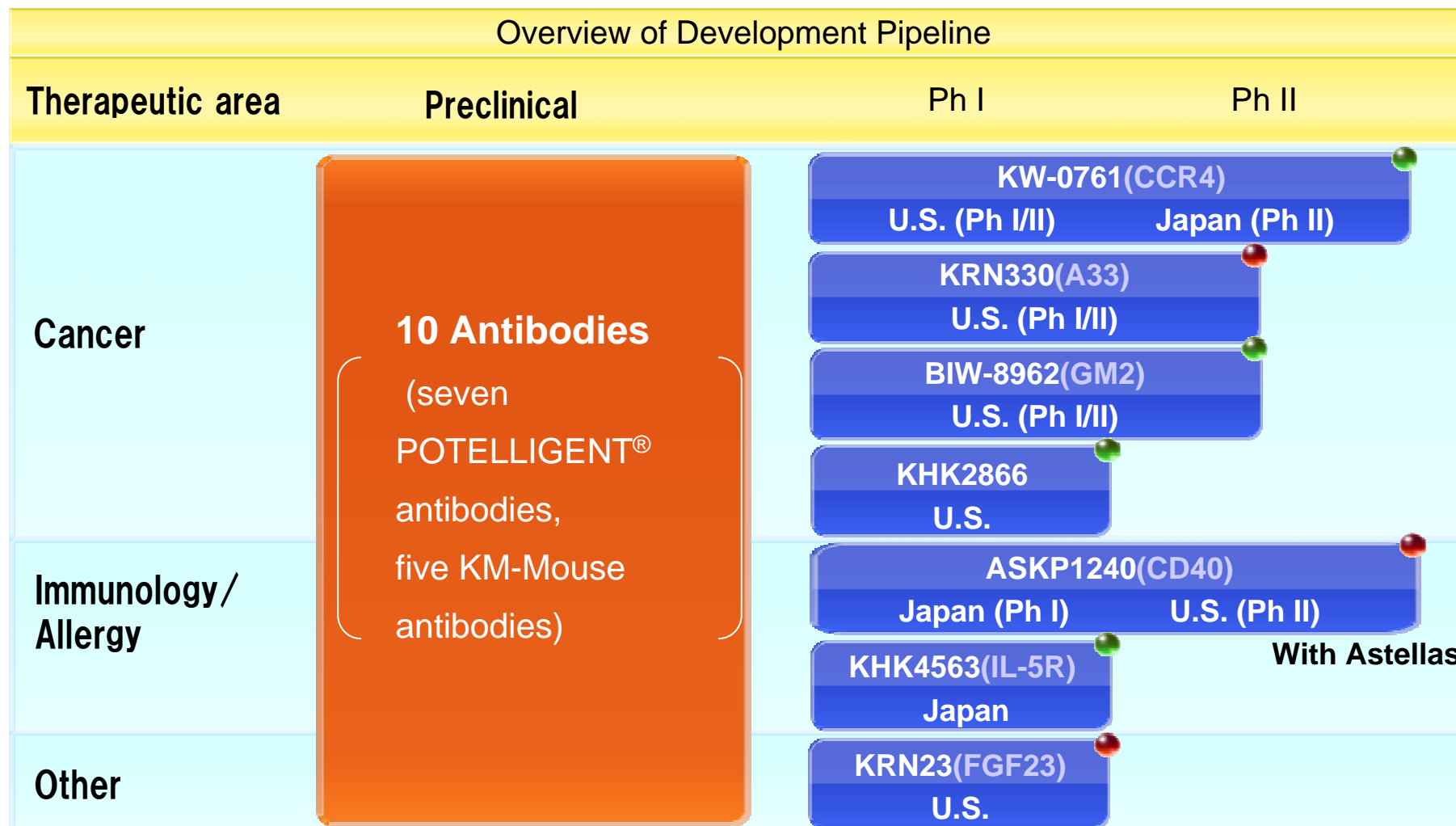
Overseas

4. Boosting sales of the Kirin Beer brand in overseas markets

- Boosting sales of products such as Ichiban Shirobiri in the United States, Europe and Asia
- Test-marketing of Kirin FREE with a view to expanding into overseas markets



Antibody pharmaceutical pipeline (as of January 2011)



 : POTELLIGENT® technology
 : KM-Mouse technology

Group synergies

おいしさを笑顔に
KIRIN

■ Joint development of wine products by Lion Nathan National Foods and Mercian

- Joint development of St Hallett Tatiara wines specifically for the Japanese marketplace through a partnership between Mercian and the famed St. Hallett winery in Australia (owned by Lion Nathan National Foods)
- Good quality, inexpensive Australian wine is imported in bulk and bottled at Mercian's Fujisawa plant



LION NATHAN
NATIONAL FOODS

KIRIN

Mercian



■ Strengthening the sales foundations through the integrated beverages group strategy

- Mercian and Kirin Brewery work together in the sales field to develop wine marketing structures for the volume sales market
Sales of Mercian daily wines up 6% by volume in 2010 (in annual terms)
- Kirin Brewery handles sales and marketing of Kirin Oolong Tea (developed by Kirin Beverage exclusively for the restaurant trade)
Strong sales during 2010 - 20% above targets

■ Sales targets reached for first Kirin Plus-i products released under Group-wide Kirin Health Project

- Total for five brands at four companies has already reached ¥8 billion, well in excess of start-of-year target for 2010 of ¥5 billion
- Projections of ¥12 billion in 2011 and ¥30 billion in 2012
- 2011 action policy: Continue to create proposals tailored to customer lifestyles by promoting products featuring the regenerative amino acid ornithine from Kyowa Hakko Bio and using the technological resources of the Group to develop second Kirin Plus-i products

