

Q&A at the Financial Results Presentation: Announcement of the Financial Results for 2014 and the Kirin Group Business Plan for 2015

Date and time: February 13, 2015, 10:00-11:30

Presenters: Senji Miyake (President and CEO), Akihiro Ito (Director and CFO), other Group company directors

Overall

Q. Why is the medium to long-term perspective being emphasized more than usual when explaining your business approach going forward?

(Miyake) Rather than concentrating just on producing as good financial results as possible in this fiscal year—as the final year of our medium-term business plan—when thinking about positioning this year we are doing a restart and treating this fiscal year as “Year Zero” of our next medium-term business plan, so we have established a plan that focuses instead on what needs to be done this year as part of that. Two issues are Japan and Brazil, with a priority issue being the bottoming out of our market share of domestic beer. We were very conscious of working from the medium to long-term perspective and looking ahead rather than focusing on a single year.

Q. The business approach in this current medium-term business plan was to boost shareholder returns. Will you prioritize growth investment if you improve domestic business performance?

(Ito) In line with the approach of our current medium-term business plan, we will pay a dividend of approximately thirty-percent of normalized EPS this year as well. Our direction for the next medium-term business plan will be discussed within this year.

Japan integrated beverages business

Q. We understand you are strengthening brand investment as part of your strategy this period for the Japan integrated beverages business, but what fundamental changes will be made, if any, for ongoing growth rather than just brand investment?

(Business department head) There is no quick fix. We are working to reinforce the brand through ongoing investment and ongoing product development utilizing Kirin’s technological strengths.

(Miyake) We are transforming corporate culture and improving worker morale. We will certainly see results if we add our inherent sales capabilities to our technology and product development capabilities, and then put in the necessary brand investment.

Q. The plan is that increased income in overseas and pharmaceuticals segments will cover any brand investment-related income decline in the Japan integrated beverages business. What if the overseas segment does not meet targets?

(Miyake) Renewed growth of our Japan integrated beverages business is of the highest priority for the Group, so we will make investment in our brand according to the plan.

Business in Brazil (Brasil Kirin)

Q. There was a cost reduction effect in the last fourth quarter—how long will this continue? Can you achieve both the strategic cost reductions and the sales volume growth planned for this period?

(Director in charge) There are one-time cost reduction effects and sustainable ones. We still have room to reduce costs to enjoy one-time effects, so we start by concentrating investment on

areas that need a boost and our sales expenses become variable expenses. Sustainable effects are when we work to improve the distribution network. We have not yet built the optimal network so we can expect the effect to be ongoing. We plan to vary our investment this period by working on sales areas that need boosting and we will be able both to reduce costs and to cover sales declines.

Governance

Q. When Kirin Holdings introduces the new management structure that integrates the Group headquarters and the Japan regional headquarters to strengthen the domestic alcohol beverages segment, could the integration of execution and supervision lead to weakened governance?

(Miyake) To strengthen governance, Kirin Holdings will add one outside director to increase the number of outside directors to three.