

Telephone Conference Q&A:

Results for the First Quarter of the Fiscal Year Ending December 2012

Date and time: May 2, 2012, 17:00-18:00

Presenters: General Manager of Finance and Accounting Dept., Director and General Manager of Strategy Planning Dept., along with relevant department heads of Group companies

1. Overseas Integrated Beverages Business

Brazil, Schincariol

Q. How did Schincariol's perform during the first quarter?

(Manager of the Strategic Planning Department) Schincariol has made a steady recovery including a recovery of market share since it became a wholly-owned subsidiary in November of last year. The effects of unseasonable weather were a negative factor in the first quarter, particularly in southern Brazil. The effects of the post-merger integration will likely begin to appear in profits and losses in the second half. The earnings structure is such that sales volumes and profits tend to rise through the fourth quarter and expenses tend to rise in the first quarter.

Q. What was Schincariol's sales performance?

(Manager of the Strategic Planning Department) Sales for combined totals of alcoholic beverages and soft drinks in March and April exceeded last year's actual figures and forecasts.

Australia, Lion

Q. How did Lion perform during the first quarter?

(Manager of the Strategic Planning Department) In the soft drink business, sales of white milk continued to decline, but earnings in both the alcoholic beverage and soft drink businesses were generally in line with plans.

2. Domestic Integrated Beverages Business

Kirin Brewery

Q. How were sales in April?

(Manager of the Strategic Planning Department) April of last year was the month immediately after the earthquake, and in the latter part of the month we were largely catching up on production. Therefore last year's levels seem low, but in fact sales were firm. Also we were not able to adequately convey the quality of *Kirin FREE* after it was updated, so going forward we plan to implement in-store sales promotion activities and advertisements.

Kirin Beverage

Q. How was performance in the first quarter, and what measures will be taken in the future?

(Manager of the Strategic Planning Department) The increase in the percentage of the water category was one cause of the deterioration in product mix variance. In the future, we will raise the percentage of high added value products such as *Kirin Mets Cola*, a food for specified health use and released on April 24, while reinforcing core products such as *Kirin Gogono-Kocha* to achieve the plan for the year.