February 15, 2016

To Whom It May Concern:

Company Name: KIRIN HOLDINGS COMPANY, LIMITED
Name and Title of Representative: Yoshinori Isozaki, President & CEO
Code Number: 2503
Head Office:
4-10-2, Nakano, Nakano-ku, Tokyo 164-0001, Japan
Name and Title of Contact Person:
Tetsuya Fujiwara
Director of Group Corporate Communications
Telephone Number: (03) 6837-7015

Formulation of Kirin Group 2016-2018 Medium-term Business Plan *Restructure and Revitalize Kirin, Groupwide* and Adoption of the New Kirin Group Vision 2021

Kirin Holdings Company Limited. (President and CEO: Yoshinori Isozaki) has formulated the Kirin Group 2016-2018 Medium-term Business Plan which aims to restructure and revitalize Kirin, groupwide. Preceding the formulation of the Medium-term Business Plan, Kirin Group adopted the New Kirin Group Vision 2021 (New KV2021), our long-term management vision newly developed from the KV2021 management vision in order to redefine the 2021 vision and strategic framework.

Kirin Group 2016-2018 Medium-term Business Plan

Recently, the Kirin Group's Japan beer business has shown signs of improvement, and in 2015 Kirin advanced into Myanmar's beer business, a promising market with considerable prospects. Good progress has also been achieved in the overseas development of key pharmaceuticals products. However, Kirin Group's operational environment remains challenging, including Brasil Kirin's severe profitability situation.

Therefore, the Kirin Group 2016-2018 Medium-term Business Plan goes much further than previously and focuses on a deeper and wider approach to swiftly and decisively solve structural issues and to ensure the revitalization of the Kirin Group.

Basic Policy

- **Restructure and Revitalize Kirin, Groupwide**

Key Initiatives

(1) Invest, strengthen, and grow profit base in the beer business

(2) Restructure and revitalize low-profit businesses

(3) Invest to realize outstanding growth in the Pharmaceutical and Bio-chemicals businesses

2018 Quantitative Targets

- ROE before goodwill amortization etc.: 15% or higher
- CAGR in normalized* EPS: 6% or higher

2018 Group operating income guidance based on achieving above targets: ¥160 billion+

Improved profit generation will be prioritized in each business to achieve our ROE targets

*Normalized EPS = adjusted net income / average number of shares outstanding during period

Adjusted net income = net income + depreciation of goodwill, etc. +/- extraordinary gains/losses after taxes & minority interests

Approach to key issues

1. Invest, strengthen, and grow profit base in the beer business

(1) Kirin Brewery Company, Limited

Target a sustained revitalization and growth in sales and profits by continuing to reinforce brand equity of core beer product. Enhance the appeal of the beer category by fostering growth of craft beer brands, strengthen the functional category, and achieve high productivity right across the supply chain.

(2) Lion's Beer, Spirits and Wine Business

Implement the initiatives to revitalize the Australian beer market, and strengthen growing categories such as craft beer and cider categories.

(3) Myanmar Brewery Limited

In Myanmar's growing beer market, expand our brand portfolio and strengthen its business platform by expanding production facilities and sales channels.

2. Restructure and revitalize low-profit businesses

(1) Brasil Kirin

Achieve profitability through full restructuring. Strengthen brand equity to achieve volume growth, pursue cost of sales efficiencies, structurally reform to right-size the business, and consider alliances and business reorganization.

(2) Kirin Beverage Company, Limited

Achieve profitable growth through structural reform by focusing on the major soft drink categories to build a robust brand portfolio. Reform the supply chain cost structure, switch to sales force evaluation based on brand profitability, focus on canned/small PET bottled beverages, and raise labor productivity.

(3) Lion's Dairy and Drinks Business

Implement Turnaround Plan to grow profits by allocating resource to priority categories and brands, deliver value based on Health and Naturalness, reform the cost structure of the entire supply chain through cutting production costs and reorganizing production sites.

3. Invest to realize outstanding growth in the Pharmaceuticals and Bio-chemicals businesses

Kyowa Hakko Kirin Company, Limited

Raise global competitiveness by launching three global strategic products (KRN23; KW-0761 (product name in Japan: POTELIGEO®); and KW-6002 (product name in Japan: NOURIAST®)) in Europe and the U.S. and establishing own sales structure in the U.S.

Kirin Group Policy

1. Financial Strategy

We will focus on the allocation of increased cash flow generated from profit growth to investment, shareholder returns and debt repayment. Investment will be prioritized and focused on growth areas of beer, alcohol, and pharmaceuticals and bio-chemicals, while capital investment in low-profit businesses will be reduced. Around half of free cash flow (operating cash flow after investment) will be allocated to shareholder returns and around half to debt repayment.

The medium-term business plan will emphasize stable shareholder returns aiming to pay dividends of 30% or more of normalized EPS.

2. Enhanced Corporate Governance

In order to strengthen the Board of Directors' oversight functions, an additional outside director will be appointed, making a total of four outside directors and three outside audit & supervisory board members. An outside director will serve as Chair of the Board of Directors. In addition to enhance transparency and fairness the Nomination Advisory Committee and the Remuneration Advisory Committee will be integrated into the Nomination and Remuneration Advisory Committee chaired by an outside director and comprised of a majority of outside directors.

In order to strengthen incentives to achieve medium-term business plan targets, the links between directors' bonuses and 2016-2018 medium-term business plan quantitative targets (ROE/EPS), guidance (operating income), and share price will be strengthened.

"New Kirin Group Vision 2021" (New KV2021)

KIRIN has aligned its 2016 -2018 Medium-term Business Plan with its newly updated long-term vision New Kirin Group Vision 2021 (New KV2021).

We set the strategic framework, "Kirin Group's unique CSV (Creating Shared Value)", to create value that meets customers' expectations as well as to create value through engagement with social issues, and redefine the 2021 vision and strategic framework.

The Group's technological strengths will be used throughout business with a focus on the alcohol, beverages, pharmaceuticals, and bio-chemicals businesses with the aim of solving social issues and providing value to customers while achieving sustainable growth with society.

2021Vision

Co-achieve sustainable growth with our societies by realizing value creation, addressing social issues and understanding consumer expectations via the core businesses* of the Kirin group

* alcoholic beverages, non-alcoholic beverages, pharmaceuticals and bio-chemicals

Outcomes

Creation of Economic Value and Social Value

Strategic Framework for Value Creation

"Kirin Group's unique CSV"