

KIRIN GROUP VISION 2015: Kirin Group's Long-Term Business Framework

Introducing a holding company structure. Achieving a quantum leap in growth.

Tokyo, May 11, 2006—Kirin Brewery Company, Limited (“Kirin”) announced today that it had formulated *Kirin Group Vision 2015* (“KV 2015”), its long-term operating framework until 2015. Under KV 2015 Kirin is targeting a quantum leap in growth to become a leading company in Asia and Oceania, with sales reaching 3 trillion yen by 2015 and operating profit of more than 10%.

To achieve this, Kirin is introducing a holding company structure and intends to implement measures that give full rein to potential synergies to create a ‘Group premium’. While strengthening its core business, Kirin will strive to become an integrated beverage provider, internationalize its business and develop the health food and functional food business.

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| Overview of Kirin Group Vision 2015 | KV 2015: Toward a new scale of consolidated performance |
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| <p>As a Company, Kirin aims to:</p> <ul style="list-style-type: none"> ➤ Nurture close links with customers through products that provide the enjoyment of food and health ➤ Integrate its expertise in fermentation and biotechnology, manufacturing, and research and marketing to create value and offer distinctive products of the highest quality ➤ Be a leading company in Asia and Oceania, with alcohol beverages, soft drinks and pharmaceuticals as its core businesses | <p>Sales 3 trillion yen (including liquor tax) 2.5 trillion yen (excluding liquor tax)</p> <p>Operating profit margin (excluding liquor tax) Higher than 10%</p> <p>Contribution from overseas operations Approximately 30% of sales and profit (excluding liquor tax)</p> |

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INTRODUCING A HOLDING COMPANY STRUCTURE

To create an organizational structure capable of achieving high growth, Kirin will change to a management style where roles and responsibilities are closely defined. In July 2007 Kirin plans to introduce a holding company structure, with the Group’s alcohol beverage, soft drink, pharmaceutical and other businesses coming under the umbrella of a Group holding company. Prior to that, Kirin will make Kirin Beverage Corporation, its core soft drink business, a wholly owned subsidiary through a public tender offer. Kirin will also separate the domestic alcohol and pharmaceuticals businesses from the parent company and create a shared services company handling back office operations. The holding company structure will facilitate the adoption of a lean and responsive management approach.

The introduction of a holding company structure should enable a more strategic distribution of resources in line with each business’s growth strategy, and further unleash synergies between businesses like alcohol beverages and soft drinks, creating a ‘Group premium’ and enabling Kirin to harness its overall Group strength.

ACHIEVING A QUANTUM LEAP IN GROWTH

➤ STRENGTHENING KIRIN'S CORE DOMESTIC ALCOHOL BUSINESS

By strengthening its core domestic alcohol Group, Kirin intends to build a foundation from which to reach a new scale of consolidated performance. Kirin will pursue a strong comprehensive alcohol beverage strategy by anticipating market changes and proposing categories that create new demand. It will also press forward with value creation and cost structure reform covering all areas of the value chain, enhance its development and proposal-based business approach and lead the alcohol beverage market, promoting industry revitalization by developing the business environment. In tandem with these initiatives, Kirin will pursue the following three strategies for additional growth across the Group:

1. Becoming an integrated beverage group

Kirin plans to become an integrated beverage group by increasing collaboration between the alcohol beverage and soft drink businesses, viewing them both as components of what is increasingly becoming a single market. It will increase collaboration in all areas of the value chain, aiming to create new value that responds to customers' needs. Collaborations are being actively pursued, including the consolidation of product development functions with Kirin Beverage Corporation, the production of soft drinks at beer factories, the creation of shared merchandizing for the entire Group by Kirin Communication Stage, and the international sale of *Kirin Chu-Hi Hyoketsu* through Kirin Beverage Corporation group companies.

2. Internationalizing Kirin's businesses

Kirin aims to derive 30% of sales and profits from markets outside Japan by 2015. This internationalization will focus on China and ASEAN countries. Kirin will secure new growth bases and unleash Group synergies through collaboration with Group companies like San Miguel and Lion Nathan. It will localize its Group strengths—*technical expertise* and *customer relationship excellence*—and contribute to customers' lifestyles by providing attractive products and services in the *food and health* field that reflect regional cultures and needs.

3. Developing the health food and functional food business

Kirin views the health food and functional food business—an intermediate *food and health* field connecting alcohol beverages, soft drinks and pharmaceuticals—as the next core Group business. Accordingly, Kirin is determined to expand the role of Kirin Well-foods. The health food and functional food business will extend well beyond conventional health food, utilizing Kirin's expertise in areas such as fermentation and biotechnology to develop original foodstuffs and using these foodstuffs to deliver product and service proposals that offer the value of *maintaining health through food*. Kirin's business partnership with Yakult Honsha will also prepare the ground for joint business utilizing the strengths of both groups, with the aim of building a foundation for the new health food and functional food business.

DEVELOPING KIRIN GROUP'S TWIN STRENGTHS: TECHNICAL EXPERTISE AND CUSTOMER RELATIONSHIP EXCELLENCE

As it continues to pursue a customer-oriented, quality-driven approach, Kirin will position *technical expertise* and *customer relationship excellence* as its twin strengths and work to consolidate them both while increasing the interplay between them. Kirin's *technical expertise* includes cutting-edge capabilities in fermentation and biotechnology, expertise in manufacturing and the pursuit of quality, and the research and marketing ability to accurately reflect customer needs in its products and services. Kirin's *customer relationship excellence* refers to its ability to incorporate two-way communication with customers in all Kirin's businesses, researching customer

sentiment and tastes and building relationships where customers feel constant trust for Kirin. Positioning these as its twin strengths, Kirin Group will continue to deliver value proposals to its customers.

PROMOTING THE BRAND

Kirin aims to raise the brand value of “KIRIN” as a *brand of trust, a brand at the front line of innovation*. Accordingly, KV 2015 positions promotion of brand value as an important management element. Management believes that the “KIRIN” brand can act as a unifying force for the Group. As the 2007 centenary approaches, Kirin will explain its future vision for the brand and rewrite its management principles, Group motto and other aspects of corporate philosophy.

MAINTAINING THE TRUST OF SOCIETY THROUGH CSR

Kirin Group is committed to the sustainable development of a safe and supportive society and will proactively fulfill its social responsibilities. Under the coordination of the CSR & Corporate Communications Division established in 2005, Kirin will work to maintain the trust of society and promote socially responsible corporate behavior throughout the Group. In pursuing KV 2015, Kirin aims to fully realize all employees’ potential and make this a source of competitive advantage, driven by the guiding principles of challenge, commitment, and collaboration.

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NEXT MEDIUM-TERM PLAN AND FUTURE APPROACH

Kirin is now formulating the 2007-2009 Kirin Group medium-term business plan, the first action plan of the long-term growth period. The 2007-2009 medium-term business plan aims to make immediate progress toward realizing the aspirations targeted in KV 2015. It targets a quantum leap in growth in each business by building new management systems, making quick, proactive investment decisions and pursuing other initiatives, based on the basic policies outlined in KV 2015.

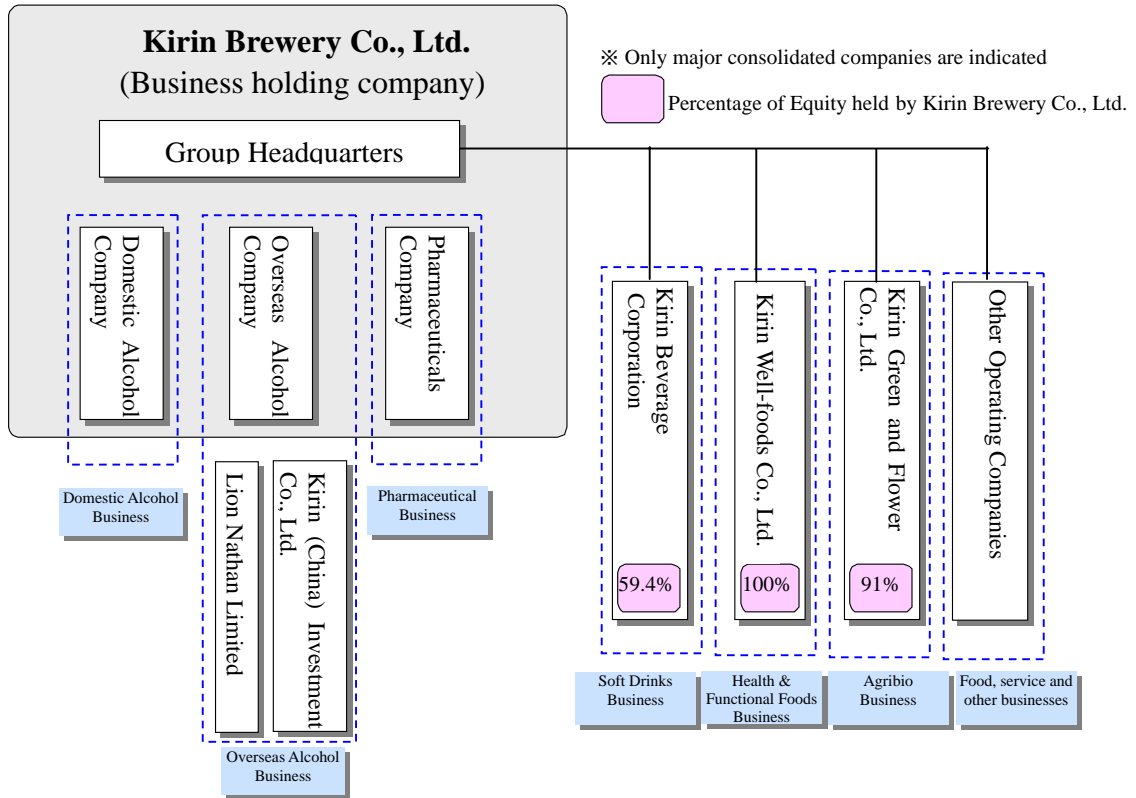
Supplementary material: Group Organization Chart, 1 page

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Supplementary material: Group Organization Chart

[Current Structure as of May 11, 2006]



[New Structure as of July 2007 (Pure holding company system)]

