

Financial and Non-Financial Highlights

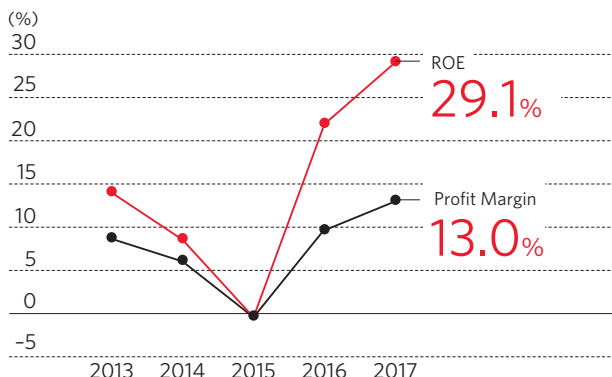


Pp. 7–8 Value Creation Model
OUTCOME: Main achievement of economic value

Financial Highlights (Fiscal 2017 Results)

Note: Began applying the International Financial Reporting Standards (IFRS) in December 2017.

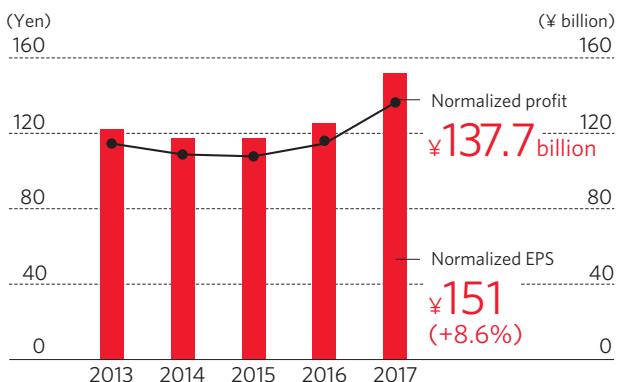
ROE/Profit margin*1



Note: Until fiscal 2016, ROE before amortization of goodwill, etc., net profit margin before amortization of goodwill

*1 Margin of profit attributable to owners of the parent

Normalized EPS*2/Normalized profit*3

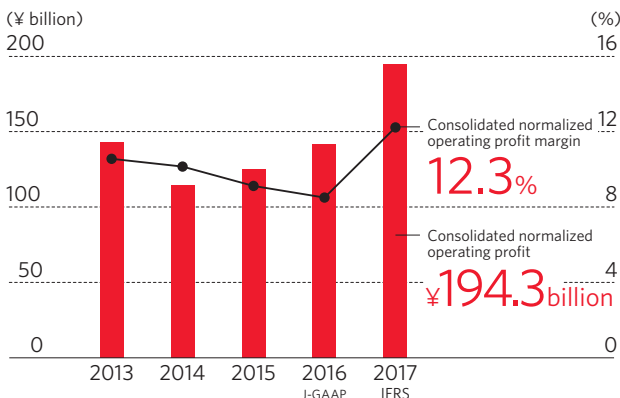


Note: Until fiscal 2016, normalized net income

*2 Normalized EPS = Adjusted profit / Average number of shares outstanding during period

*3 Adjusted profit = Profit ± Other operating income and expenses and other items after income taxes

Consolidated normalized operating profit*4/ Consolidated normalized operating profit margin



Note: Operating income (margin) until fiscal 2016

Note: Revenue excluding liquor tax (sales)

*4 Normalized operating profit = revenue - cost of sales - (selling, general and administrative expenses)

Used as a profit indicator to measure ordinary business performance



Pp. 7–8 Value Creation Model
INPUT: Main achievements of human resources, brand, R&D, and supply chain/IT

Non-Financial Highlights

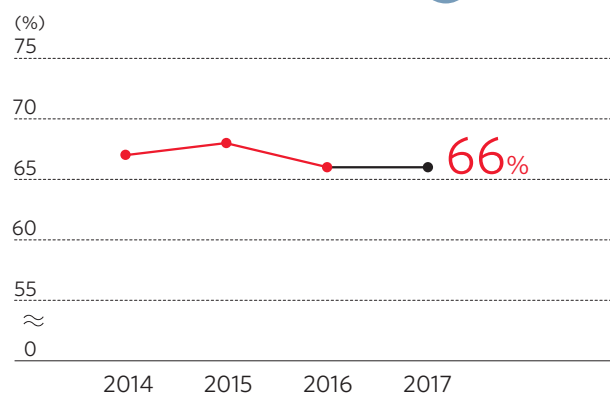
Note: All results exclude Brasil Kirin.

Myanmar Brewery has been counted since 2016. However, greenhouse gas emissions have been counted since 2015.

Employee engagement*5



Human resources



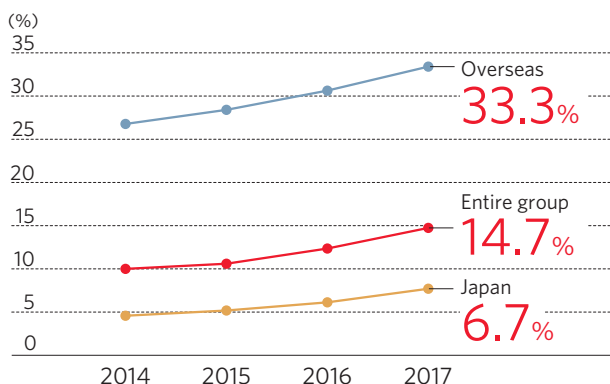
Having employees that empathize with the direction and goals of their company and are willing to do their utmost to achieve them will lead to sustainable performance improvement and innovation creation. Employee engagement is seen as an important indicator for that.

Note: Weighted average of survey results at target companies. Myanmar Brewery and Kyowa Hakkō Kirin Group counted since fiscal 2016

Ratio of female managers*5



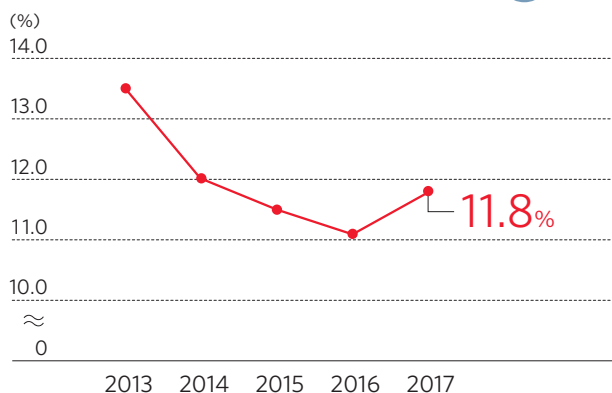
Human resources



The organization's diversity is an important factor in raising human resource skills, the basis of innovation. We are taking steps to promote the active participation of women in the workplace with the aim of a corporate culture that reflects more than ever the diverse views and challenges of each and every employee in management and business.

*5 Scope: (Japan) Kirin Holdings, Japan Integrated Beverages Business (Kirin, Kirin Brewery, Kirin Beverage, Mercian), Kyowa Hakkō Kirin Group
(Overseas) Lion, Myanmar Brewery

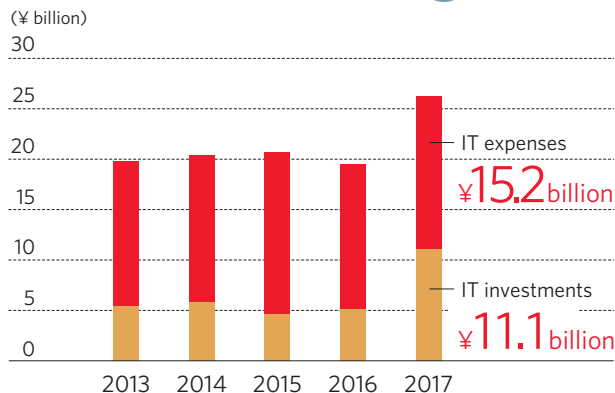
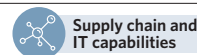
Advertising expense ratio^{*6}



While expenditures to raise sales volume in the short term are made as efficiently as possible, a certain amount of ongoing investment is necessary for advertising that contributes to raising brand value.

Note: Percentage of advertising expenses to total rebates (regardless of whether substantially discounted or not), compensation for handling of products for business use, marketing expenses for sales promotion measures, and advertising expenses.

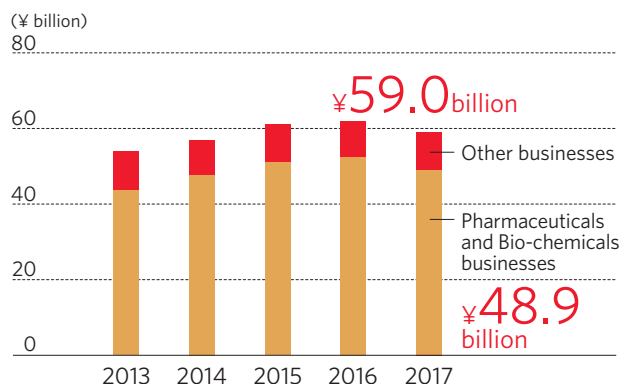
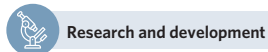
IT expenses/IT investments^{*7}



Fixed expenses for IT will be invested to improve efficiency while benchmarking global and domestic industry standards. Meanwhile, aggressive IT investment needed for future business growth will be actively incorporated into the medium- to long-term investment plan, starting with investments from 2017 and beyond for the introduction of ERP.

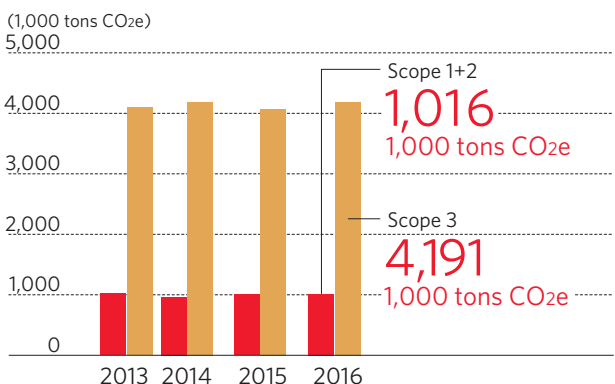
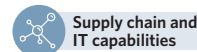
Note: Cash basis amount excluding depreciation and amortization expenses

R&D expenses



Through innovation, the importance of R&D is increasing more and more as a source for continuously realizing new value creation. We will continue to promote value creation by constantly investing a fixed amount in R&D, while working to raise R&D efficiency.

Greenhouse gas emissions (Scope 1+2)/(Scope 3)



The prevention of global warming is an issue that needs to be addressed by society as a whole and merely reducing GHG emissions (Scope 1+2) through our business activities will not solve the problem. In addition to reducing Scope 1+2, the Kirin Group sets targets for reducing GHG emissions (Scope 3) throughout the value chain and will contribute to the prevention of global warming.

*6 Scope: (Japan) Japan Integrated Beverages Business (Kirin Brewery, Kirin Beverage, Mercian); (Overseas) Lion, Myanmar Brewery

*7 Scope: (Japan) Kirin Holdings, Japan Integrated Beverages Business (Kirin, Kirin Brewery, Kirin Beverage, Mercian); (Overseas) Lion

* Those without are the entire domestic and overseas Group