



November 25, 2019

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:
Nobuhiko Hori
General Manager of Corporate Communications Department
Telephone Number: (03) 6837-7015

Notice Regarding Transfer of the Shares in the Subsidiary

Kirin Holdings Company, Limited (President and CEO Yoshinori Isozaki; hereafter, "Kirin") and its subsidiary Lion Pty Ltd (CEO Stuart Irvine; hereafter, "Lion"), which is in charge of management administration of Kirin Group's Oceania Integrated Beverage Business companies, today announce that Kirin Foods Australia Holdings Pty Ltd (hereafter "Kirin Foods Australia"), a 100% subsidiary of Lion has entered into the Stock Purchase Agreement ("Agreement") with China Mengniu Dairy Company Limited (hereafter "Mengniu Dairy") whereby all the shares in its wholly-owned subsidiary, Lion-Dairy and Drinks Pty Ltd (hereafter "LDD") are to be transferred to Mengniu Dairy's subsidiary Monday Smoothie Pty Ltd (hereafter "Monday Smoothie").

1. Reasons for the Transfer of Shares

As announced on September 11, 2018 "Notice Regarding the Strategic Review of Lion-Dairy and Drinks" and October 10, 2018 "Notice Regarding the Commencement of a Sales Process of Lion-Dairy and Drinks", Kirin and Lion considered all options for LDD, from a continuation of investment and retaining the business to a sale of LDD. Kirin and Lion determined that the best option would be to transfer LDD to a third party, who could maximize its growth potential.

After careful assessment, Kirin Foods Australia has entered into an agreement to sell LDD* on a standalone basis to Monday Smoothie which includes all white milk, milk based beverages, yoghurt, juice and water ice brands and assets. It also includes LDD's international business, and its share of joint venture businesses. The sale is subject to ACCC (Australian Competition & Consumer Commission) and FIRB (Foreign Investment Review Board) approvals and other standard closing conditions. We expect the transaction to complete in the first half of 2020.

The sale price of LDD to Monday Smoothie is approximately ¥45.6 billion** (approximately A\$600 million).

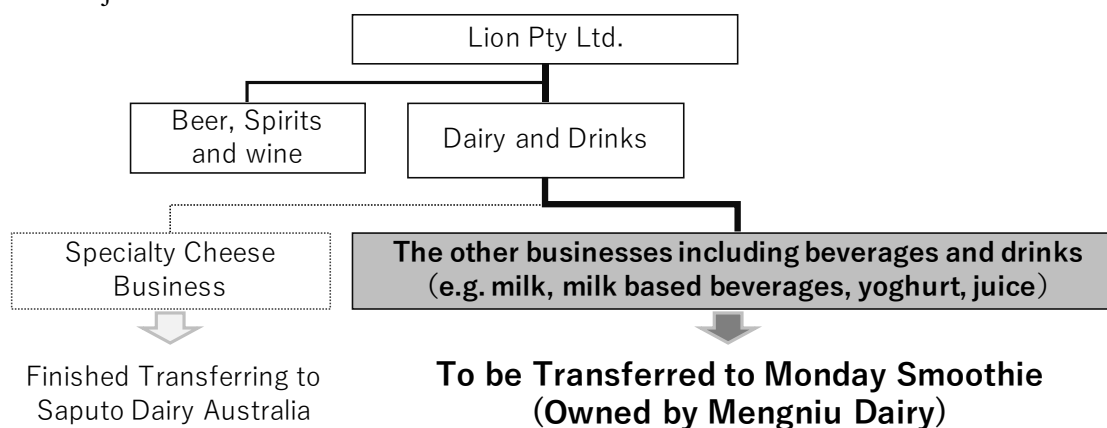
Following the completion of the transfer, Oceania Integrated Beverages Business will operate mainly in the Lion Beer, Spirits, and Wine business. In the Lion Beer, Spirits, and Wine business, we will aim to achieve further growth in the alcoholic beverages markets of Australia and New Zealand by strengthening the allocation of resources to high margin categories in alcohol beverages and premium non-alcohol beverages for adults. We will also invest in and nurture new growth markets internationally, particularly in craft beer.

Note*: With regard to Specialty Cheese Business, as announced on April 26, 2019 "Notice Regarding Impairment Loss, Transfer part of the Subsidiary Business and Revision of Consolidated Forecast for the Fiscal Year Ending December 2019", Lion entered into an agreement to sell the speciality cheese business to Saputo Dairy Australia, a subsidiary of Saputo Inc., a leading Canadian dairy manufacturer. This sale concluded on October 28.

Note**: A\$1 = ¥76.00

2. Summary of LDD

(1) Details of Subject Transfer of Shares



(2) Overview of LDD

(1)	Business Name	Lion-Dairy & Drinks Pty Ltd		
(2)	Address	Melbourne, Victoria, Australia		
(3)	Title and Name of Representative	Managing Director: Kathy Karabatsas		
(4)	Business	Sales and manufacturing of dairy products and juice beverages in Asia Pacific		
(5)	Share Capital	Approx. A\$552 million (approx. ¥44.2 billion*)		
(6)	Establishment	1991 (as National Foods Limited)		
(7)	Major shareholders and percentage of shares	Kirin Foods Australia Holdings Pty Ltd 100%. Kirin Foods Australia Holdings Pty Ltd is then 100% owned by Lion Pty Ltd.		
(8)	Relationship with Kirin	Capital relationship	LDD is a wholly-owned subsidiary (wholly-owned subsidiary of Kirin Foods Australia Holdings Pty Ltd, which is a wholly-owned subsidiary of Lion).	
		Personnel relationship	There are no direct personal relationship (employees of Kirin are members of Lion's Board of the Directors).	
		Business relationship	There are no direct business relationship (Kirin provides management services to Lion).	
(9)	Operating and financial results for the past three years**			
	Fiscal year	Ending Dec., 2016	Ending Dec., 2017	Ending Dec., 2018
	Revenue	A\$ 1,814 million	A\$ 1,779 million	A\$ 1,756 million
	Normalized operating profits	A\$ 61 million	A\$ 62 million	A\$ 63 million

Note*: A\$1 = ¥76.00

Note**: Including Specialty Cheese Business

3. Overview of Monday Smoothie

(1)	Business Name	Monday Smoothie Pty Ltd
(2)	Address	Level 23, Rialto Towers, 525 Collins Street, Melbourne VIC 3000,

	AUSTRALIA.		
(3)	Title and Name of Representative	Director: Xiaochun Wang	
(4)	Business	Holding entity of Lion-Dairy & Drinks Pty Ltd	
(5)	Share Capital	A\$1 at 22 November 2019	
(6)	Establishment	22 November 2019	
(7)	Net assets	A\$1 at 22 November 2019	
(8)	Total Assets	A\$1 at 22 November 2019	
(9)	Major shareholders and percentage of shares	Mellow Meadow Pty Ltd 100% Mellow Meadow Pty Ltd is then 100% owned by Easy Reach Investment Company Limited. Easy Reach Investment Company Limited is then 100% owned by Mengniu Dairy.	
(10)	Relationship with Kirin	Capital relationship	There are no capital relationships which should be noted between the companies.
		Personnel relationship	There are no personnel relationships which should be noted between the companies.
		Business relationship	There are no business relationships which should be noted between the companies.
		Situation regarding related parties	Monday Smoothie is not a related party of Kirin. There are also no persons or affiliates of Monday Smoothie that are related parties of Kirin

4. Schedule

(1)	Date of the Resolution by the Board of Kirin	November 24, 2019
(2)	Date of the Agreement	November 24, 2019

Note: Date of the transfer of the shares is subject to ACCC and FIRB approvals and other standard closing conditions and is expected to occur in 2020.

5. Others

Because the impacts of this transfer of the shares will be accounted in next fiscal year, any impacts on the consolidated financial results for the fiscal year ending December 31, 2019 are not expected to be significant.

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