



November 26, 2020

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  
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### **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 Share Sale and Purchase Agreement ("Agreement") with Bega Cheese Limited (hereafter "Bega") whereby all the shares in its wholly-owned subsidiary, Lion-Dairy and Drinks Pty Ltd\* (which businesses includes all white milk, milk based beverages, yoghurt, juice and water ice brands and assets) (hereafter "LDD") are to be transferred to Bega.

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 2019.

#### 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. As a result, in November 2019, Kirin and Lion entered into a Stock Purchase Agreement to transfer all shares of the LDD business to Monday Smoothie Pty Ltd, a subsidiary of China Mengniu Dairy Company Limited, however as stated in the "Termination of Share Transfer Agreement of Australian Subsidiary" dated August 25, 2020, it was unlikely for the buyer to obtain approval from the Foreign Investment Review Board in Australia (FIRB) and therefore, the Stock Purchase Agreement was terminated.

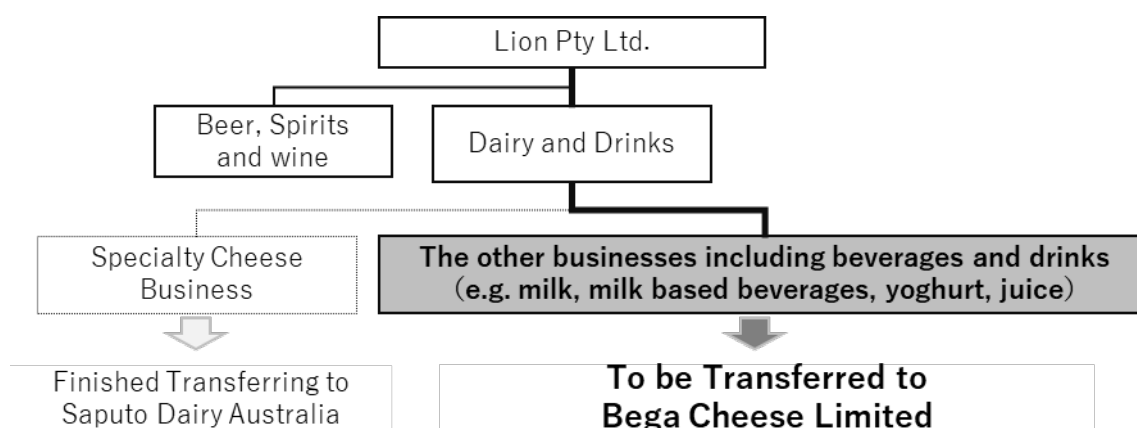
Thereafter, Kirin and Lion had been carefully assessing the best pathway forward for the LDD business and today we are pleased to announce that Kirin Foods Australia has entered into an agreement to sell LDD to Bega Cheese Limited, a leading Australian dairy and food company which produces cheese, infant formula and spreads. The sale is not conditional upon FIRB (Foreign Investment Review Board) approval. The ACCC (Australian Competition & Consumer Commission) has pre-assessed the proposed sale and has confirmed it will not be conducting any public review process. Accordingly, the sale has no regulatory conditions. We expect the transaction to complete during the first quarter of 2021.

The sale price of LDD to Bega Limited is approximately ¥40.9 billion\*\* (A\$560 million) with the proceeds to be received in cash. The final cash proceeds from the sale are subject to standard completion adjustments.

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 alcohol beverages markets of Australia and New Zealand by strengthening the allocation of resources to high margin categories. We will also invest in and nurture new growth markets internationally, particularly in craft beer.  
Note\*\*: A\$1 = ¥73.00

## 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. ¥40.3 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 personnel 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., 2017	Ending Dec., 2018	Ending Dec., 2019
	Revenue	A\$ 1,779 million	A\$ 1,756 million	A\$ 1,689 million
	Normalized operating profits	A\$ 62 million	A\$ 63 million	A\$ 21 million

Note\*: A\$1 = ¥73.00

Note\*\*: Including Specialty Cheese Business up to the Transfer Date.

### 3. Overview of Bega Cheese Limited

(1)	Business Name	Bega Cheese Limited	
(2)	Address	23-45 Ridge Street North Bega NSW 2550 AUSTRALIA	
(3)	Title and Name of Representative	Executive Chairman, Barry Irvin	
(4)	Business	Sale and manufacture of dairy, peanut butter, honey and Vegemite in Australian and export markets.	
(5)	Share Capital	Market capitalization of A \$1,089 million (as at COB 23-Nov-20)	
(6)	Establishment	1899 (The Bega Co-operative Society Limited until 2008)	
(7)	Net assets	A \$814 million at 30 June 2020	
(8)	Total Assets	A \$1,014 million at 30 June 2020	
(9)	Major shareholders and percentage of shares	As at 30 June 2020: Ethical Partners Funds Management Pty Ltd 8.3% Perpetual Limited 7.5%	
(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	Bega Cheese Limited is not a related party of Kirin. There are also no persons or affiliates of Bega Cheese Limited that are related parties of Kirin

### 4. Schedule

(1)	Date of Decision	November 26, 2020
(2)	Date of the Agreement	November 26, 2020

Note: Date of the transfer of the shares is subject to standard closing conditions and is expected to close in 2021.

### 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, 2020 are not expected to be significant.

END