



April 10, 2017

To Whom It May Concern:

Company Name: KIRIN HOLDINGS COMPANY, LIMITED  
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**Notice Regarding Disposal of Treasury Stock  
as Restricted Stock Compensation (Performance-based)**

Kirin Holdings Company, Limited (“Kirin”) hereby announces that, at the Board of Directors Meeting held today, it was resolved to conduct the disposal of treasury stock as restricted stock compensation (“Disposal of Treasury Stock” or “Disposal”), as follows:

1. Overview of disposal

(1) Date of disposal	May 10, 2017
(2) Class and number of shares to be disposed of	113,043 shares of common shares of Kirin
(3) Disposal value	¥2,110 per share
(4) Total disposal value	¥238,520,730
(5) Method for subscription or disposal	Allocation of specified restricted stock
(6) Method of contribution	Contribution in kind using monetary compensation receivables
(7) Allottees and number thereof, number of shares to be allotted	Directors of Kirin : 5 persons 65,947 shares (excluding Outside Directors) Directors of Kirin’s subsidiary : 4 persons 33,494 shares (excluding Outside Directors) Executive Officers of Kirin’s subsidiary : 2 persons 13,602 shares
(8) Other	The Disposal of Treasury Stock is conditional upon the taking effect of the securities statement filed in accordance with the Financial Instruments and Exchange Act.

2. Purposes and reason for disposal

At the Board of Directors Meeting held on February 13, 2017, Kirin resolved to introduce a Restricted Stock Compensation System (“System”) for the purposes of further promoting the sharing of value with the shareholders, and establishing a remuneration system that contributes to the enhancement of corporate value in the medium to long term. In addition, at the 178th Annual General Meeting of Shareholders held on March 30, 2017, it was approved that Kirin provides remuneration of no greater than ¥250 million per year as monetary compensation receivables to Directors excluding Outside Directors (“Eligible Directors”) for the issuance of restricted stock.

An overview of the System, etc. is as follows:

[Overview of the System, etc.]

(1) Overview of the System

Under the System, Kirin shall grant Eligible Directors monetary compensation receivables for the allocation of restricted stock, each business year as a general rule, and by having the Eligible Directors make contribution in kind using the monetary compensation receivables as contributed assets, shall issue or dispose of its common shares to the Eligible Directors and allow them to hold such shares. The total number of shares to be granted to Eligible Directors shall be no greater than 312,500 shares during one business year. The amount to be paid per share shall be determined by the Board of Directors within the scope that would not be considered specially advantageous to the Directors who are granted Kirin's common shares under the System, such as the closing price of Kirin's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day). Kirin shall conclude a restricted stock grant agreement with the Eligible Directors, and with regard to the shares granted pursuant to said grant agreement, the Eligible Directors shall not be allowed to transfer, create a security interest on, or otherwise dispose of them ("Transfer, etc.") at will ("Restrictions") during a given period provided by said grant agreement ("Transfer Restriction Period"). In addition, Kirin shall lift the Restrictions on all or part of the shares granted, according to the achievement rate of the indicators set by the Board of Directors including major performance indicators set in the Medium-Term Business Plan in the initial business year of the Transfer Restriction Period, at the expiry of the Transfer Restriction Period. However, Kirin shall acquire free of charge the shares for which the Restrictions are not lifted. Other details regarding the administration of the System, including the matters described in "3. Overview of the Restricted Stock Grant Agreement," below shall be determined by the Board of Directors upon deliberation by the Nomination and Remuneration Advisory Committee.

(2) Application of Restricted Stock Compensation System to Executive Officers and Directors of Kirin and Kirin's subsidiary

In line with the approval of the introduction of the System at the 178th Annual General Meeting of Shareholders held on March 30, 2017, a Restricted Stock Compensation System similar to the System will be applied to Directors and Executive Officers of Kirin and KIRIN Company, Limited, a subsidiary of Kirin.

(3) This Restricted Stock Compensation

The Disposal of Treasury Stock will be applied to a total eleven (11) persons, including five (5) Eligible Directors as well as four (4) Directors and two (2) Executive Officers of KIRIN Company, Limited ("Eligible Directors, etc.").

At the Board of Directors Meeting of Kirin and KIRIN Company, Limited held today, it was resolved to grant a total of ¥238,520,730 of monetary compensation receivables ("Monetary Compensation Receivables") to Eligible Directors, etc. as monetary compensation receivables as contributed assets, when granted restricted stock pertaining to the fiscal year 2017 after taking into account of deliberation by the Nomination and Remuneration Advisory Committee, the purposes of the System as well as the scope of roles and responsibilities of the Eligible Directors, etc. (Among these, the total of monetary compensation receivables granted to the Eligible Directors is ¥139,148,170). In addition, at the Board of Directors Meeting of Kirin held today, it was decided to grant 113,043 shares of its common shares ("Granted Shares") to Eligible Directors, etc., by having the Eligible Directors, etc. make contribution in kind using Monetary Compensation Receivables. The Transfer Restriction Period shall be three years in light of promoting the sharing of value with the shareholders and the enhancement of corporate value in the medium to long term.

Moreover, said Monetary Compensation Receivables will be granted on the condition that the Eligible Directors, etc. conclude a restricted stock grant agreement ("Grant Agreement") with Kirin as described in "3. Overview of the Restricted Stock Grant Agreement" below.

### 3. Overview of the Restricted Stock Grant Agreement

Kirin will conclude the Grant Agreement with each of the Eligible Directors, etc. individually, and an overview of which is as follows:

(1) Transfer Restriction Period

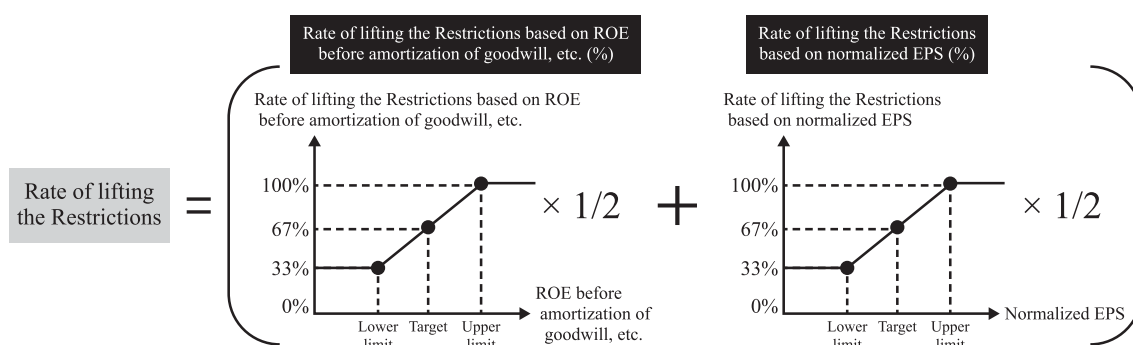
May 10, 2017 - May 9, 2020 (“Restriction Period”)

(2) Lift of Restrictions depending on business performance conditions, etc.

Kirin shall lift the Restrictions on all or part of the Granted Shares at the expiry of the Restriction Period according to the achievement rate for the fiscal year 2017 of ROE before amortization of goodwill, etc. and normalized EPS, which have been set as significant indicators in the current Medium-Term Business Plan (“Business Performance Conditions”). However, Kirin shall lift the Restrictions on 33% of the Granted Shares, at the expiry of the Restriction Period as a general rule regardless of the achievement rate of the indicators, in order to encourage Eligible Directors, etc. to hold Kirin’s stock.

A specific calculation formula for the rate of lifting Restrictions and achievement targets of ROE before amortization of goodwill, etc. and normalized EPS are as follows.

1) Calculation formula for the rate of lifting the Restrictions



2) Achievement targets of ROE before amortization of goodwill, etc. and normalized EPS

	Target
ROE before amortization of goodwill, etc.	13.9%
Normalized EPS	126 yen

(3) Circumstances of free acquisition by Kirin

At the expiry of the Restriction Period, Kirin shall as a matter of course acquire free of charge the Granted Shares for which Restrictions have not been lifted in accordance with Business Performance Conditions prescribed in “(2) Lift of Restrictions depending on business performance conditions, etc.”

In addition, in the event that, prior to the expiry of the Restriction Period, Eligible Directors, etc. lose any of the following positions: a Director of the Board, Executive Officer, Audit & Supervisory Board Member or employee of Kirin or a Kirin’s subsidiary, with exception of cases where the loss of position is due to reasons recognized as legitimate by the Board of Directors and expiration of term or death, etc., Kirin shall as a matter of course acquire the Granted Shares free of charge. The timing of free acquisition shall be decided by the Board of Directors where the legitimacy of the reason is determined. If the loss of position is due to legitimate reasons recognized by the Board of Directors and expiration of term or death, etc., the number of the Granted Shares for which Restrictions are to be lifted and the timing of the lifting of the Restrictions shall be reasonably adjusted as necessary.

In the event that there are any circumstances of free acquisition prescribed in the Grant Agreement other than those described above, Kirin shall promptly acquire free of charge the Granted Shares held by the Eligible Director, etc. who caused the circumstance.

(4) Rules concerning management of shares

Eligible Directors, etc. shall open an account to be stated or recorded for the Granted Shares at a financial instruments business operator designated in advance by Kirin and by the method specified by Kirin, and shall store and retain the Granted Shares in said account during the Restricted Period.

(5) Treatment of Grant Shares upon reorganization, etc. of Kirin

In the event that, during the Restriction Period, a merger agreement in which Kirin becomes a non-surviving company, a share exchange agreement or a share transfer plan under which Kirin becomes a wholly-owned subsidiary of another company, or any other matters related to reorganization, etc. of Kirin are resolved at the General Meeting of Shareholders of Kirin (or at the Board Meeting of Kirin, if the reorganization, etc. does not require the approval of the General Meeting of Shareholders of Kirin), the Restrictions on the reasonably determined number of Granted Shares shall be lifted at the time immediately before the business day preceding the effective date of said reorganization, etc. of Kirin. Kirin shall as a matter of course acquire free of charge the Granted Shares for which the Restrictions are not lifted, on the business day preceding the effective date of said reorganization, etc.

4. The basis for calculating the amount to be paid and its details

In order to exclude arbitrariness, the disposal value of the Disposal of Treasury Stock shall be ¥2,110 (rounded up to the nearest yen), the closing price of Kirin's common shares at the First Section of Tokyo Stock Exchange on April 7, 2017 (the business day preceding the date of the resolution by the Board of Directors). This is the market share price immediately preceding the date of the resolution by the Board of Directors, and Kirin believes that it is reasonable and does not constitute a specially advantageous amount.