



February 13, 2017

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:
Tetsuya Fujiwara
Director of Group Corporate Communications
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Notice Regarding Transfer of Brasil Kirin's Shares

Kirin Holdings Company, Limited (President & CEO: Yoshinori Isozaki; hereafter, "Kirin") today announced that it has entered into a Stock Purchase Agreement ("Agreement") with Bavaria S.A. (a subsidiary of Heineken International B.V.; Officers: Celso Ricardo Marciniuk and Carla Rosana Sgrott Sauer; hereafter, "Bavaria") whereby all the shares in its wholly-owned subsidiary, Brasil Kirin Holding S.A. (CEO: André Salles; hereafter, "Brasil Kirin") are to be transferred to Bavaria.

1. Reasons for the Transfer of Shares

Based on Kirin Group 2016-2018 Medium-term Business Plan announced on February 15, 2016, Brasil Kirin has primarily focused on self-growth acceleration to improve its profitability and achieved certain results.

Meanwhile, considering various risks associated with Brazilian economy and stagnant and competitive situation in Brazilian beer and soft drink markets, Kirin has come to the conclusion that there are certain limitations in transforming Brasil Kirin into a sustainable and high-profitable business on its own. Kirin therefore has judged that the transfer of all shares of Brasil Kirin to Bavaria, a company part of the HEINEKEN Group, which already operates beer business in Brazil, further enhance Brasil Kirin's future prosperity.

2. Outline of Brasil Kirin

(1)	Company Name	Brasil Kirin Holding S.A.
(2)	Address	Avenida Primo Schincariol, nº 2.222, sala 05, Bairro Itaim, zip code 13.312-900, City of Itú, State of São Paulo
(3)	Title and Name of Representative	CEO: Mr. André Leonardo Alves Seabra Salles
(4)	Business	Production and sales of beer and soft drink
(5)	Capital Stock	R\$5,521 million

(6)	Establishment	1983		
(7)	Large Shareholder & Stockholding Ratio	Kirin Holdings Company, Limited 100.0%		
(8)	Relationship with Kirin	Capital relationship	Brasil Kirin is a wholly-owned subsidiary of Kirin	
		Personnel relationship	2 Senior Executive Officers, one of whom is a Director of the Board, and 2 employees of Kirin are members of Brasil Kirin's Board of the Directors	
		Business relationship	Kirin provides Brasil Kirin with long / short term loans and management services	
(9)	Operating and financial results for the past three years			
	Fiscal year	Ending Dec., 2014	Ending Dec., 2015	Ending Dec., 2016
	Net assets	R\$ 2,289 million	R\$ 1,296 million	R\$ 1,533 million
	Total assets	R\$ 5,422 million	R\$ 5,544 million	R\$ 5,842 million
	Net assets per share	R\$ 0.01	R\$ 0.006	R\$ 0.008
	Consolidated Sales	R\$ 3,987 million	R\$ 3,698 million	R\$ 3,706 million
	Consolidated operating income (loss)	R\$ 31 million	R\$ (509) million	R\$ (284) million
	Net income attributable to shareholder of the parent company	R\$ 22 million	R\$ (997) million	R\$ 271 million
	Net income (loss) per share	R\$ 0.0001	R\$ (0.0053)	R\$ 0.001
	Dividends per share	—	—	—

(Note) Operating and financial results above are based on IFRS in Brazil except consolidated sales and consolidated operating income (loss).

3. Overview of Bavaria

(1)	Company Name	Bavaria S.A.
(2)	Address	Rua do Rocio, 350, 5th floor - Room "Bavaria Clássica", Vila Olímpia, City and State of São Paulo, Zip Code 04552-000, Brazil
(3)	Title and Name of Representative	Officers: Celso Ricardo Marciniuk and Carla Rosana Sgrott Sauer
(4)	Business	Production and sales of beer
(5)	Capital Stock	R\$ 246.8 million
(6)	Establishment	2002
(7)	Net assets	R\$ 1 million
(8)	Total assets	R\$ 1.7 million

(9) Large Shareholder & Stockholding Ratio	<ul style="list-style-type: none"> • Heineken Brazil B.V. 99.9999% (a wholly-owned subsidiary of Heineken International B.V.) • Heineken International B. V. 0.0001% 	
(10) Relationship with Kirin	Capital relationship	There is no capital relationship which should be noted between the companies
	Personnel relationship	There is no personnel relationship which should be noted between the companies
	Business relationship	There is no business relationship which should be noted between the companies
	Situation regarding related parties	Bavaria is not a related party of Kirin. There are also no persons or affiliates of Bavaria that are related parties of Kirin

4. Status of Shareholdings Before and After the Transfer

(1) Number of shares owned before the transfer	185,278,687,490 shares (Ownership ratio of voting rights: 100.0%)
(2) Number of shares to be transferred	185,278,687,490 shares
(3) Transfer price	R\$ 2,200 million (approx.77.0 billion yen*)
(4) Number of shares owned after transfer	0 shares (Ownership ratio of voting rights: 0.0%)

* Calculated with the exchange rate of 1 real = 35.00 yen

5. Schedule

(1) Date of the Resolution by the Board of Kirin	February 13, 2017
(2) Date of the Execution of Agreement	February 13, 2017

6. Timeline

- Following the execution of the Agreement today, Brasil Kirin and Bavaria will apply to Conselho Administrativo de Defesa Economica (CADE), an antitrust agency in Brazil, for an approval on the transfer of the shares. The transfer of the shares is expected to be executed immediately after CADE's approval.
- Because it is not fixed when the shares are transferred, there is no calculating its financial impact.