



April 27, 2023

To whom it may concern

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Name and Title of Representative: Yoshinori Isozaki, President & CEO
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Name and Title of Contact Person:
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**Notice regarding Agreement to Acquire Shares (Acquisition of Ownership) of
Australian Natural Health Company Blackmores Limited**

Kirin Holdings Company, Limited (President and CEO: Yoshinori Isozaki, hereafter “Kirin”) has decided to acquire 100% of the outstanding shares of Blackmores Limited (Chief Executive Officer and Managing Director: Alastair Symington, hereafter "Blackmores"), an Australian-based company operating a natural health business in the Asia-Pacific region, and to commence procedures to make it a subsidiary.

Kirin plans to acquire the shares held by all shareholders of Blackmores for cash through a Scheme of Arrangement ("SOA") procedure under the Australian Corporations Act, which is one of the methods of acquiring 100% of the shares of an Australian listed company. On April 26, following resolutions at meetings of the boards of directors of Kirin and Blackmores, Kirin entered into a Scheme Implementation Deed ("SID") with Blackmores, which sets forth the details of the agreement regarding the SOA.

The implementation of the SOA requires the satisfaction of certain conditions, including the approval of the proposed acquisition at a general meeting of Blackmores shareholders, the approval of the Australian Federal Court and other necessary approvals.

1. Purpose and Reason for Share Acquisition

Under Kirin’s long-term management vision “Kirin Group Vision 2027 (KV2027)”, we aim to “become a global leader in CSV by creating value across our world of Food & Beverages to Pharmaceuticals”.

We are committed to playing our role as a responsible alcohol producer, and achieving mutual sustainable growth by contributing to resolving social issues in the fields of people’s health and well-being, community engagement, and the environment. In particular, in the field of people’s health and well-being, we aim to “raise the number of healthy people, lower the number of sick people, and contribute to the people who are involved in healthcare”. We believe that we can make progress towards solving social issues related to people’s health and well-being by improving people’s quality of life and preventing diseases, which in turn

can drive future growth opportunities for our company.

For this reason, in KV2027, we are leveraging the organizational capabilities and assets that Kirin has cultivated to date, by establishing a Health Science Domain which is positioned in line with the Food & Beverages and Pharmaceuticals as a pillar of next-generation growth. In the Health Science Domain, we have expanded our business in Japan and overseas by maximizing our strengths through our own fermentation technology.

The acquisition of Blackmores is highly complementary to our existing Health Science business and is consistent with our KV2027 strategy. Blackmores, founded in 1932 by Maurice Blackmore, is Australia's largest nutritional supplement company with a proud history of more than 90 years.

Blackmores' key products and brands include; “Blackmores” vitamin and dietary supplement and infant milk formula, “BioCeuticals” nutritional and therapeutic supplements, and “PAW by Blackmores” pet supplements which are sold in markets in the Asia-Pacific region.

Blackmores has a strong presence and trust from consumers in Malaysia, Thailand, Indonesia, Vietnam, and Singapore, having first expanded into Southeast Asia in 1976. Blackmores has a strong position as a foreign-affiliated nutritional supplement company in China, having entered the market in 2013. In recent years, Blackmores has also been actively expanding into new markets such as India.

With Blackmores’ stated purpose “to give people a choice to make living well each day a natural way of life” and mission to “Combine our knowledge of nature and science to deliver quality solutions to bring wellness to people and their pets everywhere, everyday”, Blackmores has contributed to the health of people in Asia-Pacific for nearly a century through research and development of natural health built on the principles of naturopathy.

In recognition of their long history and high awareness of quality, Blackmores has been awarded the "Most Trusted Brand" in vitamins and supplements in Australia for 14 consecutive years.

**Reader’s Digest’s Annual Trusted Brands Awards celebrates the brands Australians trust the most.*

<https://www.trustedbrands.com.au/results/>

The two companies share the same philosophy and have a lot in common, with Kirin's approach to global growth by resolving social issues related to people’s health and well-being, and Blackmores' approach to solving health issues for people in Asia-Pacific by utilizing its knowledge of nature science and naturopathy.

The acquisition of Blackmores will transform the scale of the Health Science business, expand its product range and capabilities and broaden its geographic profile and growth opportunities. The acquisition will expand access to Kirin’s ingredients to hundreds of millions of consumers in the Asia-Pacific region through Blackmores' distribution network. The Health Science business will also benefit from Blackmores' knowledge of consumer demands and its deep understanding of country-specific regulations. We see a clear opportunity to deliver growth in the Health Science business through the evolution of the B2B and B2C businesses that propose solutions beyond the sales of ingredients. In addition, by creating synergies in a wide range of business areas in which both companies operate, we will solve more of the social issues related to people’s health.

2. Scheme and Schedule of the Share Acquisition

The acquisition will be effected pursuant to an SOA under the Australian Corporations Act, which requires approval of the proposed acquisition at a general meeting of Blackmores shareholders (with approval being required by a minimum of 75% of the votes cast and a majority of the number of shareholders voting) and Australian Federal Court approval. Completion of the SOA is also subject to the satisfaction of certain regulatory approvals, including from the Australian Foreign Investment Review Board, among other conditions. If the SOA is implemented, 100% of the Blackmores shares on issue, including those held by shareholders who opposed or did not participate in the shareholder resolution, will be acquired by Kirin. Details of the SOA, including the consideration per share, conditions precedent, procedures, representations and warranties, and timetable, are set forth in the SID.

The following is the currently anticipated timetable for the share acquisition, which, if all goes according to the plan, will complete in August.

Procedure	Scheduled date
First Court Date	Late June, 2023
General Meeting of Shareholders (Scheme Meeting)	Late July, 2023
Second Court Date	Late July, 2023
SOA Effective Date	Late July, 2023
Record Date	Early August, 2023
SOA Implementation Date	Early August, 2023
Delisting from Australian Securities Exchange	Early August, 2023

3. Overview of Blackmores

(As of March 31, 2023)

(1)	Company Name	Blackmores Limited		
(2)	Head Office	20 Jubilee Ave Warriewood NSW 2102, Australia		
(3)	Representative	Chief Executive Officer and Managing Director Alastair Symington		
(4)	Description of Business	Manufacture and sale of nutritional supplements etc.		
(5)	Capital	AUD 201 mn (as of June 2022)		
(6)	Founded	1932		
(7)	Major Shareholders and Shareholding Ratio (Percentage of owned shares in the total number of issued shares excluding treasury shares)	• Marcus Charles Blackmore		18.08%
		• FIL Limited		9.05%
		• Australian Super Pty Limited		7.32%
(8)	Relationship with Kirin	Capital Relationship	None	
		Personal Relationship	None	
		Trade Relationship	None	
		Related Party Status	None	
(9)	Financial Position and Performance in the Past 3 Fiscal Years			
Consolidated fiscal year ended		June 30, 2020	June 30, 2021	June 30, 2022
Consolidated net assets		AUD 301 mn	AUD 379 mn	AUD 409mn
Consolidated total assets		AUD 551 mn	AUD 549 mn	AUD 591 mn
Consolidated net assets per share (AUD) **		AUD 15	AUD 20	AUD 21

Consolidated net sales	AUD 568 mn	AUD 576 mn	AUD 650 mn
Consolidated EBIT	AUD 25 mn	AUD 46 mn	AUD 56 mn
Net income attributable to owners of parent company	AUD 15 mn	AUD 29 mn	AUD 31 mn
Consolidated basic earnings per share (cent)	86 cents	148 cents	158 cents
Dividend per share (cent)	-	71 cents	95 cents

*Based on figures from Blackmores 2022 Annual Report

**Calculated using number of issued shares as of June 30, 2022

4. Number of shares held and percentage of voting rights held before and after the transfer

(1)	Number of shares held before the change	0 shares (number of voting rights: 0, ownership ratio: 0%)
(2)	Number of shares acquired	19,450,635 Shares (Number of voting rights: 100% of voting rights held)
(3)	Acquisition cost	Blackmores common stock AUD 1,880 million (approximately JPY 169.2 billion*)**
(4)	Number of shares held after transfer	19,450,635 shares (100% of voting rights held)

*calculated at the rate of AUD=JPY 90

**acquisition cost calculated based on number of shares acquired and unvested performance rights, and includes fixed special dividend

5. Schedule

(1)	Date of Board of Directors resolution (Kirin)	April 26, 2023
(2)	Date of Board of Directors resolution (Blackmores)	April 26, 2023
(3)	Execution of SID	April 26, 2023
(4)	Date of Share Transfer	August, 2023 (planned)

6. Outlook

The administrative and financial impact of this acquisition on Kirin will be disclosed in due course.

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