



April 26, 2019

To Whom It May Concern:

Company Name: KIRIN HOLDINGS COMPANY, LIMITED
Name and Title of Representative: Yoshinori Isozaki, President & CEO
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**Notice Regarding Impairment Loss, Transfer part of the Subsidiary Business and
Revision of Consolidated Forecast for the Fiscal Year Ending December 2019**

Kirin Holdings Company, Limited (President and CEO: Yoshinori Isozaki, hereafter "Kirin") today announces that Kirin is expected to incur an impairment loss in the course of the review to transfer Lion-Dairy and Drinks (hereafter "LDD"), which is a subsidiary of Lion Pty Ltd (hereafter "Lion") in charge of management administration of Kirin Group's Oceania Integrated Beverage Business.

Along with this, Kirin has revised downward its consolidated forecast for the fiscal year ending December 31, 2019, which were announced on February 14, 2019, as described below.

In addition, Kirin also announces that Kirin and Lion have decided to transfer the specialty cheese business of LDD to Saputo Dairy Australia, a subsidiary of Saputo Inc..

1. Recording and Details of Impairment losses

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 future growth, from continuation of investments and retaining to sale of LDD, and determined it the best to transfer LDD business to a third party that can maximize the growth potential of LDD business.

In April 2019, Kirin and Lion assessed the fair value of LDD business, based on the offers received by then. In particular, the level of offer price received, together with the recent impact of extreme weather on the cost and availability of milk, have led Kirin and Lion to take the prudent step of recognising a non-cash write down of the carrying value of LDD's assets.

As a result, Kirin is expected to record approximately ¥57.1 billion as an impairment loss in the consolidated financial results for the first quarter of the fiscal year ending December 31, 2019.

The accounting for an impairment loss will not impact on Lion's Beer, Spirits and Wine businesses in Australia and New Zealand, or its Global Markets business unit.

2. Reasons for the transfer of business

After a careful assessment of all options between Kirin and Lion, Lion has entered into an agreement to sell the specialty cheese business as a standalone basis to Saputo Dairy Australia, a subsidiary of Saputo Inc., a leading Canadian dairy manufacturer.

The sale agreement is subject to ACCC and Foreign Investment Review Board approvals and other standard closing conditions, and is expected to complete by the end of calendar 2019.

The sale price of the specialty cheese business to Saputo Dairy Australia is approximately ¥22.4 billion* (approximately A\$280 million), and the payment method is not decided.

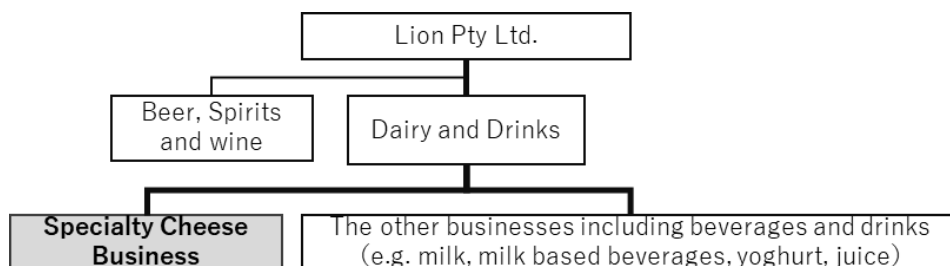
Noted that Kirin and Lion are continuing to consider various options regarding the assignment of LDD business except for the specialty cheese business. Whenever any decisions are made that require disclosure, we will make immediate announcement accordingly.

Note: 1 Australian dollar = 80.00 yen

3. Summary of Business Transfer

(1) Details of Subject Department

Specialty cheese business under the control of LDD



(2) Items and Amounts of Business Performance, Assets and Liabilities regarding Subject Department

Business performance, asset and liabilities are not calculated only for the subject department.

(3) Overview of LDD

(1)	Business Name	Lion-Dairy and 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 beverages in Asia Pacific	
(5)	Share Capital	Approx. A\$552 million (approx. ¥44.2 billion*)	
(6)	Establishment	1991 (as a National Foods Limited)	
(7)	Major shareholders and percentage of shares	Lion Pty Ltd 100%	
(8)	Relationship with Kirin	Capital relationship	LDD is a wholly-owned subsidiary (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).

Note: 1 Australian dollar = 80.00 yen

(4) Overview of Saputo Dairy Australia

(1)	Business Name	Saputo Dairy Australia Pty Limited	
(2)	Address	Allansford, Victoria, Australia	
(3)	Business	Manufacturing and sales of dairy products in Australia	
(4)	Establishment	2013	
(5)	Major shareholders and percentage of shares	Saputo Inc. 100%	
(6)	Relationship with Kirin	Capital relationship	There are no Capital relationships which should be noted between the companies.

	Personnel relationship	There are no personal 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	Saputo Dairy Australia is not a related party of Kirin. There are also no persons or affiliates of Saputo Dairy Australia that are related parties of Kirin.

Note: Saputo Dairy Australia Pty Limited is a non-listed company and is not disclosed part of company information.

(5) Schedule

(1)	Date of the Resolution by the Board of Kirin	April 26, 2019
(2)	Date of the Execution of the agreement	April 26, 2019

Note: Date of the business transfer is not decided .

4. Revision of Full-year Forecast

(1) The details of the revisions to the consolidated financial results for the fiscal year ending December 31, 2019 (January 1 - December 31, 2019)

(Unit: million Japanese Yen)

	Revenue	Normalized operating profit	Profit before tax	Profit	Profit attributable to Owners of the Company	Basic earnings per share (Yen)
Previous forecast (A)	2,000,000	190,000	190,000	139,000	120,000	136.67
Revised forecast (B)	2,000,000	190,000	132,900	81,900	62,900	71.64
Change (B – A)	-	-	Δ57,100	Δ57,100	Δ57,100	-
Change (%)	-	-	Δ30.1	Δ41.1	Δ47.6	-
Actual result for previous fiscal year	1,930,522	199,327	246,852	195,211	164,202	183.57

(2) Reasons for the revision

As described above, Kirin expects to reduce the profit before tax, profit and profit attributable to owners of the company due to the recording of an impairment loss for the revaluation of the asset value of the LDD business.

Noted that Kirin is currently reviewing the impact of selling part of LDD business etc., and will promptly announce any items that require the disclosure regarding the future outlook.

5. Others

With regard to dividends, Kirin has set the target of achieving a consolidated payout ratio of 40% or more of normalized EPS*, and the impairment loss of ¥ 57.1 billion are expected to be posted as other operating expenses. Consequently, there will no impact on normalized EPS*. There is no change in the dividend forecast (¥63.0 for the year including ¥31.5 interim dividend).

Note: Normalized EPS = Normalized profit / Average number of shares outstanding during period

Normalized profit = Profit attributable to Owners of the Company ± Other operating income and expenses and other items after income taxes

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