



October 10, 2018

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:
Tetsuya Fujiwara
Director of Group Corporate Communications
Telephone Number: (03) 6837-7015

Notice Regarding the Commencement of a Sale Process of Lion-Dairy and Drinks

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 the commencement of a sale process for Lion-Dairy and Drinks (hereafter, "LDD"), producer and distributor of dairy products and beverages in Asia Pacific.

1. Reasons for the commencement of a sale process

As announced in the "Notice Regarding the Strategic Review of Lion-Dairy and Drinks" on September 11, 2018, Kirin and Lion have conducted a strategic review and given consideration to all potential options for LDD, including retaining and investing in the business and a sale of LDD. Following careful consideration, Kirin and Lion have concluded that separating the business via a sale of LDD is the best path to set both Lion and LDD up for future growth.

In order for LDD to transform the current stage of its efficiency improvement into the next stage of driving growth across its nutritional food and beverages portfolio, further investment and capital allocation are needed, along with new capabilities.

At the same time, in order to maximize the business value of Lion as well as the shareholder's value of Kirin, we recognize we should prioritize accelerating investment in the higher-margin and high-growth craft beer category in Oceania and global markets, along with Lion's emerging premium crafted beverage portfolio in Oceania, where we have ample growth opportunities.

Based on the above, we have made the decision to launch a sale process to find a new owner who is better placed to unlock LDD's full potential.

The sale will not impact Lion's alcohol businesses in Australia and New Zealand.

2. Outline of the sale

(1) Transfer Stock	100% of LDD shares
(2) Sale Value	Not yet determined
(3) Transferee	Not yet determined

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. ¥45.8 billion ⁽¹⁾)	
(6) Establishment	1991 (as National Foods Limited)	
(7) Large Shareholder & Stockholding Ratio	Lion Pty Ltd 100.0%	
(8) Relationship with Kirin	Capital relationship	LDD is a wholly-owned subsidiary of Kirin (wholly-owned subsidiary of Lion)
	Personnel relationship	There is no direct personnel relationship (employees of Kirin are members of Lion's Board of the Directors)
	Business relationship	There is no direct business relationship (Kirin provides long/short term loans and management services to Lion)

(1) Calculated with the exchange rate of 1 Australia Dollar=83.00 yen

4. Future Prospects

The prospects of a sale process and the impact of a sale of LDD is not yet determined. Whenever any decisions are made that require disclosure, we will make immediate announcement accordingly.

END