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To Whom It May Concern:

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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 15, 2019
(2) Class and number of shares to be disposed of	106,536 shares of common shares of Kirin
(3) Disposal value	¥2,588 per share
(4) Total disposal value	¥275,715,168
(5) Allottees and number thereof, number of shares to be allotted	Directors of Kirin (excluding Outside Directors) : 5 persons 61,335 shares Executive Officers of Kirin : 7 persons 45,201 shares
(6) 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.

In line with this, a Restricted Stock Compensation System similar to the System is also applied to Executive Officers of Kirin.

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; any amount less than 1 yen shall be rounded up). 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) Thinking Behind Total Disposal Value

The remuneration amount for the issuance of restricted stock is compared objectively with officers' remuneration survey data of an external research body, and then deliberated by the Nomination and Remuneration Advisory Committee, as with other executive remuneration. Targets for comparison are mainly companies of similar size to Kirin in Japan or domestic sector peer companies. Remuneration is designed so that it will be on a par with those provided by these target companies when performance targets are achieved.

Basic policy on executive remuneration at Kirin is as follows.

Basic Policy on Executive Remuneration

1. The Company shall establish a remuneration structure that emphasizes the linkage of remuneration with business performance and medium- to long-term corporate value and share value with the shareholders.
2. Remuneration levels shall be appropriate for the roles and responsibilities of the Kirin Group's officers.
3. Remuneration shall be deliberated by the Nomination and Remuneration Advisory Committee, in which Outside Directors constitute a majority, in order to ensure objectivity and transparency.

(3) This Restricted Stock Compensation

The Disposal of Treasury Stock will be applied to a total twelve (12) persons, consisting of five (5) Eligible Directors and seven (7) Executive Officers ("Eligible Directors, etc.").

At the Board of Directors Meeting of Kirin held today, it was resolved to grant a total of ¥275,715,168 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 FY2019 ("Granted Shares") 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 ¥158,734,980). In addition, at the Board of Directors Meeting of Kirin held today, it was decided to grant 106,536 shares of its common shares as the 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 15, 2019 - May 14, 2022 (“Restriction Period”)

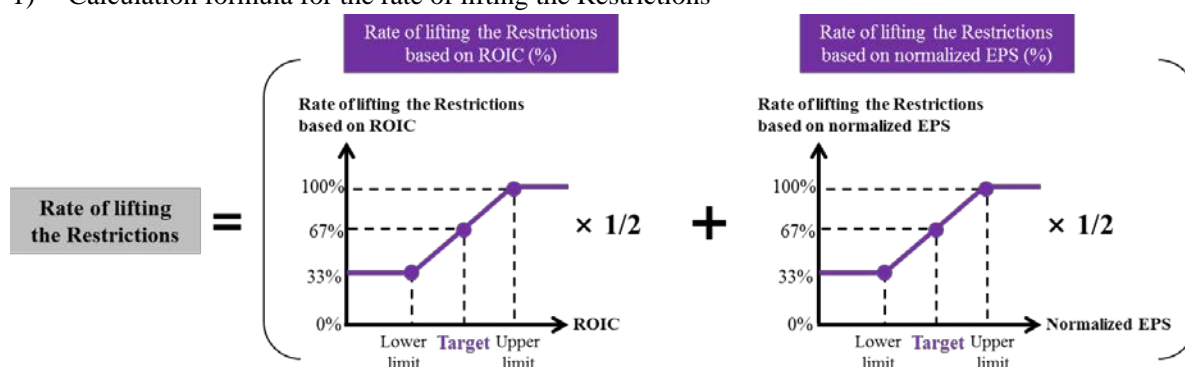
(2) Lift of Restrictions depending on business performance conditions, etc.

In 2019, Kirin has established the Long-Term Management Vision “Kirin Group Vision 2027 (KV2027).”, and also unveiled “Kirin Group Medium-Term Business Plan for FY2019-2021 (2019 MTBP)”, which serves as the first three-year-phase action plan to achieve KV2027.

The rate of lifting the restriction on the Granted Shares is linked to the two key performance indicators (financial targets) newly set out in the 2019 MTBP: ROIC and Normalized EPS. 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 of ROIC and normalized EPS in the FY2019 (“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 ROIC and normalized EPS are as follows.

1) Calculation formula for the rate of lifting the Restrictions



2) Achievement targets of ROIC and normalized EPS

	Target
ROIC	8.8%
Normalized EPS	157yen

The upper limit and lower limit for each performance indicator shall be determined by the Board of Directors upon deliberation by the Nomination and Remuneration Advisory Committee.

(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 adjusted. The adjustment shall be deliberated by the Nomination and Remuneration Advisory Committee and then carried out in accordance with rules determined by a resolution of the Board of Directors.

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 rate of lifting the Restrictions shall be adjusted in proportion to the period from the grant date to the effective date of said reorganization, etc. of Kirin, and the Restrictions on the 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 ¥2,588 (rounded up to the nearest yen), the closing price of Kirin's common shares at the First Section of Tokyo Stock Exchange on April 5, 2019 (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.