



June 27, 2016

To Whom It May Concern:

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### **Notice Regarding Termination of Australian Subsidiary's Sale of the Imported Beer Products and Expected Special Income**

Kirin Holdings Company, Limited (President and CEO: Yoshinori Isozaki; hereinafter, "the Company") hereby announces that Lion Pty Ltd (Australia; CEO: Stuart Irvine; hereinafter, "Lion"), the regional headquarters of Oceania Integrated Beverage Business as well as a subsidiary of the Company, has been notified of the termination of the distribution of a number of licensed and imported beer products in Australia:

#### 1. Summary of the Fact and the Reason for the Decision

Lion, as the regional headquarters, manages its subsidiaries which manufacture and sell beer, spirits and wine, and dairy and drinks in Oceania. The beer, spirits, and wine operating companies have been selling the relevant beer products as licensee in Australia, but Lion was notified of the termination at the end of March, 2016. After consultations, Lion reached agreement on the terms of the termination yesterday. The effective date of the termination is September 30, 2016.

Consistent with the terms of the agreement, Lion expects that it will receive payments in the range of 250 million – 300 million Australian Dollars during second half of fiscal 2016 as calculated according to the agreement.

#### 2. Future Outlook

The payment above, which is equivalent to the range of approximately 20.7 billion – 24.9 billion Japanese Yen assuming 1 AUD = 83.00 JPY, is expected to be reported as special income of the Company's consolidated financial results for fiscal 2016. Since the amount exceeds approx. 10.9 billion JPY, which is equivalent to 30% of average consolidated annual profit over the past 5 years (from FY2011 to FY2015) attributable to owners of parent, it falls under the category of "other important matters related to operation, business or assets of a subsidiary".

Impact on the consolidated financial results for FY2016 is expected, but the full-year forecast is now under a careful evaluation with some other possible factors taken into account. If the forecast needs to be revised, immediate disclosure shall be made.