



February 1, 2024

To whom it may concern

Company Name: KIRIN HOLDINGS COMPANY, LIMITED
Name and Title of Representative: Yoshinori Isozaki, President & CEO
Code Number: 2503 (Tokyo Stock Exchange, Prime Section)
Head Office:
4-10-2, Nakano, Nakano-ku, Tokyo 164-0001, Japan
Name and Title of Contact Person:
Hidefumi Matsuo
General Manager of Finance Department
Telephone Number: +81-3-6837-7015

Notice Regarding the Recognition of Impairment Losses Related to a Subsidiary and the No-requirement of Impairment Losses in the Consolidated Financial Statements of Kirin Holdings Company, Limited

Lion Pty Ltd hereinafter "Lion", an Australian subsidiary of Kirin Holdings Company, Limited hereinafter "Kirin", will record an impairment loss of approximately AUD2,3 billion (approximately 216 billion yen*) in the year ending December 31, 2023. However, Kirin will be not required any impairment loss on Lion in the fiscal year ending December 31, 2023.

*calculated at the rate of AUD=JPY 94

1. Impairment loss at Lion

The results of the impairment test conducted at Lion in accordance with IFRS showed that the fair value of Lion's Australian operations (AUD5,2 billion) was lower than the net asset value before the impairment loss (AUD7,5 billion), mainly due to a shift in Australian consumer preferences towards RTDs and spirits; the continued decline and softening of the outlook for the beer category; the impact of the COVID-19 pandemic on customers, particularly in on-premise trading; inflationary pressure on costs; and, the impact of interest rates on discretionary consumer spending. The difference, approximately AUD2,3 billion, was recorded by Lion as an impairment loss in the fiscal year ending December 31, 2023.

(2) Treatment of Lion's impairment loss in Kirin's consolidated financial statements

The goodwill recorded in Kirin's consolidated financial statements differs from the carrying value recognized by Lion, as it was amortized and otherwise accounted for in accordance with Japanese GAAP until the introduction of IFRS in 2016. As the fair value of Lion exceeds its carrying value in our consolidated financial statements, impairment loss will not be required. This transaction will have no particular impact on Kirin's consolidated financial results.

END