

March 10, 2014

To Whom It May Concern:

Company Name: KIRIN HOLDINGS COMPANY, LIMITED

Name and Title of Representative: Senji Miyake, 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 Concerning Own-Share Repurchase and Tender Offer

The Board of Directors of Kirin Holdings Company, Limited (the “Company”) adopted a resolution on March 10, 2014 concerning implementation of an own-share repurchase by means of a Tender Offer (the “Tender Offer”) in accordance with the provisions of Article 156, Paragraph 1 of the Companies Act (law No. 86 of 2005, as amended; referred to as the “Companies Act”) applied with certain replacement of terms pursuant to Article 165, Paragraph 3 of the Act and the Company’s Articles of Incorporation. Details are set forth below.

1. Purpose of the Repurchase

The Company believes that enhancing returns to shareholders is a key management issue, and the Company has paid dividends in every fiscal year since its establishment in 1907. The financial policy of the 2013-2015 Medium-Term Business Plan calls for increasing dividends in line with the growth of normalized earnings per share (EPS)*, with a target of a consolidated dividend payout ratio of 30% against normalized EPS.

In addition, the Company’s Articles of Incorporation provide that, pursuant to Article 165, Paragraph 2 of the Companies Act, the Company may repurchase its own shares by resolution of the Board of Directors. Such repurchases are intended to raise capital efficiency and carry out dynamic capital strategies in conjunction with changes in the business environment. Previously, the Company implemented repurchases of its own shares by means of market purchases for the purpose of further enhancing returns to shareholders.

It was under these circumstances that the Company received notice from Isono Shokai, Ltd. (“Isono Shokai”), the Company’s fifth largest shareholder (holding 20,772,808 shares as of December 31, 2013, accounting for 2.15% (rounded off to the second decimal; same applies to calculations of percentages of issued shares hereafter,) of the Company’s total of 965,000,000 issued shares as of March 10, 2014) that it intends to sell 15,772,808 shares of its holdings of the Company’s common stock (1.63% of total issued shares). Isono Shokai is a privately held company, and at this time, there are no personnel or

business relationships between the Company and Isono Shokai.

As a result of careful investigations starting in January 2014 based on Isono Shokai's intentions, the Company determined that acquisition of its own shares through a repurchase would contribute to raising the Company's normalized EPS and other measures of capital efficiency, leading to even greater returns for its shareholders. Furthermore, in light of the 113.7 billion yen (consolidated) in cash and time deposits that the Company had as of December 31, 2013, the Company determined that if it implements a repurchase of its own shares, there would not be a significant impact on the Company's financial status or dividend policy and that financial soundness and stability would be maintained.

With regard to the specific method of acquiring its own shares, as a result of careful and repeated considerations from the perspective of maintaining fairness among shareholders and transactional transparency, the Company determined that a tender offer is the appropriate method. The Company believes that when deciding the purchase price under the Tender Offer (the "Tender Offer Purchase Price"), emphasis must be placed on clarity and objectivity of criteria as well as market prices as the basis for appropriate pricing of the Company's common stock. In addition, the Company determined, from the perspective of respecting the interests of those shareholders who do not tender their shares to the Tender Offer and retain ownership of the Company's common stock, purchase at a price with a certain level of discount from the market price applied would be desirable to control the outflow of capital from the Company as much as possible. In addition, the number of shares that the Company plans to repurchase under the Tender Offer will be limited to 17,350,000 shares (1.80% of the total number of outstanding shares) from the perspective of providing an opportunity to tender shares to shareholders other than Isono Shokai.

When making the decision on the purchase price, in mid-February 2014, the Company proposed to Isono Shokai to purchase shares at a 10% discount price from the simple average of the closing prices of the Company's common stock on the First Section of the Tokyo Stock Exchange (the "TSE") during the one month up to the business day (March 7, 2014) prior to the day that the Board of Directors approved the resolution for the Tender Offer based on the belief that the Company's recent financial performance is fully reflected in the share price. As a result, Isono Shokai responded to the effect that it would tender 15,772,808 shares of its holdings of the Company's common stock (1.63% of the total number of outstanding shares) under the above conditions.

In light of the above, the Board of Directors adopted a resolution at a meeting held on March 10, 2014 to carry out an own-share repurchase and the Tender Offer (as described below in "(1) Details of the Resolution" under "2. Details of the Board of Directors Resolution Concerning the Own-Share Repurchase") as the means of effecting the repurchase pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act applied with certain replacement of terms pursuant to Article 165, Paragraph 3 of the Act and the Company's Articles of Incorporation and further that the Tender Offer Purchase Price will be 1,232 yen (rounded down to the nearest whole yen), which is equivalent to a 10% discount from 1,369 yen (rounded off to the nearest whole yen), which is the simple average of the closing prices of the Company's common stock on the First Section of the TSE during the one month up

to March 7, 2014.

Isono Shokai further responded that it plans to retain for the foreseeable future the 5,000,000 shares (0.52% of the Company's total issued shares) that are not to be tendered to the Tender Offer.

Policy concerning the disposal of shares that will be acquired through the Tender Offer is currently undecided.

* Normalized EPS is net income adjusted by removing special income and expenses and other non-operating items to more accurately reflect actual earning capacity divided by the average number of shares outstanding during the period.

2. Details of the Board of Directors Resolution Concerning the Own-Share Repurchase (announced March 10, 2014)

(1) Details of the Resolution

Type of Shares	Total Number of Shares	Aggregate Purchase Amount
Common shares	17,350,100shares(Maximum)	21,375,323,200 yen(Maximum)

Note 1: Total shares outstanding (as of March 10, 2014): 965,000,000 shares

Note 2: Ratio against the total shares outstanding: 1.80%

Note 3: The acquisition period shall be from March 11 to May 30, 2014.

Note 4: As the Company announced in the February 13, 2014 "Notice Concerning Change of the Number of Shares to Constitute One Unit Share and Partial Amendment to the Articles of Incorporation," the number of shares constituting one unit share will be changed from 1,000 shares to 100 shares effective April 1, 2014, which falls during the tender period of the Tender Offer (the "Tender Offer Period") as the record date.

(2) Publicly-Traded Securities Relating to the Company's Own Shares Previously Acquired Pursuant to the Resolution

Not applicable.

3. Summary of the Tender Offer

(1) Time Table

(1) Date of Board of Directors resolution	Monday, March 10, 2014
(2) Date of public notice of commencement of the Tender Offer Bid	Tuesday, March 11, 2014 Announcement shall be made electronically with notice to that effect in the Nihon Keizai Shimbun. (URL for electronic announcement: http://disclosure.edinet-fsa.go.jp/)
(3) Date of submission of Tender Offer Bid notice	Tuesday, March 11, 2014

(4) Tender Offer Period	From Tuesday, March 11 to Thursday, April 10, 2014 (22 business days)
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(2) Repurchase Price

1,232 yen per share of common stock

(3) Basis for Calculation of the Repurchase Price

(a) Basis of the Calculation

When calculating the purchase price, the Company took into consideration factors such as the fact that the Company's common shares are traded on financial instrument exchanges and that publicly-traded companies often carry out acquisitions of their own shares through market purchases on financial instrument exchanges. The Company emphasized clarity and objectivity of criteria and considered the Tender Offer Purchase Price based on the market value of the Company's common shares. Also, considering that market prices are subject to daily fluctuations as a result of economic circumstances and various other factors, the Company determined the proper market value as the market price of the Company's common shares by taking into account the desirability of consideration of changes in the share price over a certain period and by making reference to the closing price on the First Section of the TSE of the Company's common shares on March 7, 2014, the business day prior the date of the Board of Directors resolution concerning implementation of the Tender Offer (March 10, 2014), which is 1,389 yen, the simple average of the closing prices of the Company's common shares during the one month prior to March 7, 2014, which is 1,369 yen (rounded off to the nearest whole yen) and the simple average of the closing prices of the Company's common shares during the three months prior to March 7, 2014, which is 1,431yen (rounded off to the nearest whole yen).

The Company also determined that, from the perspective of respecting the interests of those shareholders who retain their shares of the Company's common stock, it would be desirable to set the purchase price with a certain level of discount from the market price to control the outflow of capital from the Company to the greatest extent possible.

With regard to the specific conditions of the Tender Offer, the Company agreed in early March with Isono Shokai to a Tender Offer Purchase Price of 1,232 yen (rounded down to the nearest whole yen), which represents a 10% discount from 1,369 yen (rounded off to the nearest whole yen), which is the simple average of the closing prices of the Company's common stock on the First Section of the TSE during the one month up to the business day prior to the day that the Board of Directors approved the resolution for the Tender Offer (March 7, 2014) based on the belief that the Company's recent financial performance is fully reflected in the share price. Isono Shokai indicated that it will tender 15,772,808 shares of its holdings of the Company's common stock (1.63% of the total number of shares currently outstanding) under these conditions. The Company also made reference to past examples of own-share repurchases when determining the discount rate.

Following these investigations and determinations, the Board of Directors decided, at a meeting

held on March 10, 2014, to carry out an own-share repurchase and the Tender Offer (as described above in “(1) Details of the Resolution” under “2. Details of the Board of Directors Resolution Concerning the Own-Share Repurchase”) as the specific means of implementing the repurchase. The Board further decided that the Tender Offer Purchase Price will be 1,232 yen (rounded down to the nearest whole yen), which represents a discount of 10% from 1,369 yen (rounded off to the nearest whole yen), which is the simple average of the closing prices of the Company’s common shares during the one month prior to March 7, 2014.

Also, the Tender Offer Purchase Price of 1,232 yen is the equal to 1,389 yen (rounded off to the nearest whole yen), which is the closing price of the Company’s common shares on the business day (March 7, 2014) prior to the date of the Board of Directors resolution approving implementation of the Tender Offer (March 10, 2014), discounted by 11.30% (rounded off to the second decimal), to 1,369 yen (rounded off to the nearest whole yen), which is the simple average of closing prices of the Company’s common shares during the one month prior to March 7, 2014, discounted by 10.01% (rounded off to the second decimal), and to 1,431 yen (rounded off to the nearest whole yen), which is the simple average of closing prices of the Company’s common shares during the three months prior to March 7, 2014, discounted by 13.91% (rounded to the second decimal).

(b) Background to the Calculation

The Company believes that enhancing returns to shareholders is a key management issue, and the Company has paid dividends in every fiscal year since its establishment in 1907. The financial policy of the 2013-2015 Medium-Term Business Plan calls for increasing dividends in line with the growth of normalized EPS, with a target of a consolidated dividend payout ratio of 30% against normalized EPS.

In addition, the Company’s Articles of Incorporation provide that, pursuant to Article 165, Paragraph 2 of the Companies Act, the Company may repurchase its own shares by resolution of the Board of Directors. Such repurchases are intended to raise capital efficiency and carry out dynamic capital strategies in conjunction with changes in the business environment. Previously, the Company implemented repurchases of its own shares by means of market purchases for the purpose of further enhancing returns to shareholders.

It was under these circumstances that the Company received notice from Isono Shokai, the Company’s fifth largest shareholder, that it intends to sell 15,772,808 shares of its holdings of the Company’s common stock (1.63% of total issued shares).

As a result of careful investigations starting in January 2014 based on Isono Shokai’s intentions, the Company determined that acquisition of its own shares through a repurchase would contribute to raising the Company’s normalized EPS and other measures of capital efficiency, leading to even greater returns for its shareholders. Furthermore, in light of the 113.7 billion yen (consolidated) in cash and time deposits that the Company had as of December 31, 2013, the Company determined that if it implements a repurchase of its own shares, there would not be a significant impact on the Company’s financial status or dividend policy and that financial soundness and stability would be maintained.

With regard to the specific method of acquiring its own shares, as a result of careful and repeated considerations from the perspective of maintaining fairness among shareholders and transactional transparency, the Company determined that a tender offer is the appropriate method. The Company believes that when deciding the Tender Offer Purchase Price, emphasis must be placed on clarity and objectivity of criteria as well as market prices as the basis for appropriate pricing of the Company's common stock. In addition, the Company determined, from the perspective of respecting the interests of those shareholders who do not tender their shares to the Tender Offer and retain ownership of the Company's common stock, purchase at a price with a certain level of discount from the market price applied would be desirable to control the outflow of capital from the Company as much as possible. In addition, the number of shares that the Company plans to repurchase under the Tender Offer will be limited to 17,350,000 shares (1.80% of the total number of outstanding shares) from the perspective of providing an opportunity to tender shares to shareholders other than Isono Shokai.

When making the decision on the purchase price, in mid-February 2014, the Company proposed to Isono Shokai to purchase shares at a 10% discount from the simple average of the closing prices of the Company's common stock on the First Section of the TSE during the one month up to the business day (March 7, 2014) prior to the day that the Board of Directors approved the resolution for the Tender Offer based on the belief that the Company's recent financial performance is fully reflected in the share price. As a result, Isono Shokai responded to the effect that it would tender 15,772,808 shares of its holdings of the Company's common stock (1.63% of the total number of outstanding shares) under the above conditions.

As a result, the Company resolved at the meeting of the Board of Directors that the Tender Offer Purchase Price would be 1,232 yen, which is equal to 1,389 yen, which is the closing price of the Company's common shares on the business day (March 7, 2014) prior to the date of the Board of Directors resolution approving implementation of the Tender Offer (March 10, 2014), discounted by 11.30% (rounded off to the second decimal), to 1,369 yen (rounded off to the nearest whole yen), which is the simple average of closing prices of the Company's common shares during the one month up to March 7, 2014, discounted by 10.01% (rounded off to the second decimal) and to 1,431 yen (rounded off to the nearest whole yen), which is the simple average of closing prices of the Company's common shares during the three months up to March 7, 2014, discounted by 13.91% (rounded off to the second decimal).

(4) Planned Number of Shares to be Purchased

Type of Shares	Planned Number of Shares to be Purchased	Expected Number of Excess Shares	Total
Common shares	17,350,000 shares	--	17,350,000 shares

Note 1 If the total number of shares tendered does not exceed the planned number of shares to be purchased

(17,350,000 shares), the Company will purchase all tendered shares. If the total number of shares tendered exceeds the planned number of shares to be purchased (17,350,000 shares), the Company will not purchase all or some of the excess portion and will implement delivery-versus-payment settlement with regard to the share certificates in accordance with the proportional allocation method specified in Article 27-22-2, Paragraph 2 of the Financial Instruments and Exchange Act (law No. 25 of 1948, as amended; referred to as the “Act”) applicable pursuant to Article 27-13, Paragraph 5 and with Article 21 of the Cabinet Ordinance on Disclosure of Tender Offer Bids for Publicly-Traded Stock Certificates, etc. by the Issuer (Ministry of Finance Ordinance No. 95 of 1994, as amended).

Note 2 Fractional shares shall be subject to the Tender Offer. In the case where a shareholder exercises the right to demand purchase of fractional shares pursuant to the Companies Act, the Company will purchase its own shares during the Tender Offer Period in accordance with the procedures specified by law. As the Company announced in the February 13, 2014 “Notice Concerning Change of the Number of Shares to Constitute One Unit Share and Partial Amendment to the Articles of Incorporation,” the number of shares constituting one unit share will be changed from 1,000 shares to 100 shares effective April 1, 2014, which falls during the tender period of the Tender Offer as the record date.

Note 3 Ratio against the total shares outstanding: 1.80%

(5) Funds Necessary for the Purchase

21,407,500,000 yen

Note: The amount of funds necessary for the purchase is the total of the estimated purchase proceeds, purchase procedure fees, and various expenses for announcements relating to the Tender Offer and printing expenses for Tender Offer explanatory documents and other necessary documents.

(6) Settlement Method and Commencement Date

(a) Name of the financial instruments broker or bank that will perform settlement relating to the purchase and address of its main branch

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
2-5-2 Marunouchi, Chiyoda-ku, Tokyo, Japan

(b) Settlement Commencement Date

Wednesday, May 7, 2014

(c) Settlement Method

Promptly after the end of the Tender Offer Period, notice of purchase pursuant to the Tender Offer will be sent to tendering shareholders (in the case of a foreign shareholder, the shareholder’s standing proxy) at their address or location.

Purchases will be made in cash. The amount equal to the purchase proceeds relating to the purchased share certificates less applicable withholding taxes (see note) will be remitted by the

Tender Offer agent to the location specified by the tendering shareholder (in the case of a foreign shareholder, the shareholder's standing proxy) without delay after the settlement commencement date in accordance with instructions from the tendering shareholder (in the case of a foreign shareholder, the shareholder's standing proxy).

Note: Imposition of taxes on shares purchased pursuant to a Tender Offer

Please consult with your tax accountant or other professional concerning specific tax-related questions and make your own determinations.

a. Individual shareholders

(i) In the case where the tendering shareholder is a resident or a non-resident with a permanent domestic establishment

If the amount of money received for tendering and delivering shares pursuant to the Tender Offer exceeds the amount of the portion corresponding to the shares that are the basis of the delivery included in the Tender Offeror's capital (in the case of a consolidated corporation, the amount of consolidated capital; same hereafter) (i.e., the purchase price per share exceeds the purchaser's capital per share), the amount of the excess portion is deemed to be dividends and is subject to taxation. Furthermore, the amount of the monies received for tendering and delivering shares pursuant to the Tender Offer minus the amount deemed to be dividends is income from the transfer of shares. If there is no amount that is deemed to be dividends (i.e., the purchase price per share is no more than the Tender Offeror's capital per share), all of the monies received for tendering and delivering shares pursuant to the Tender Offer is income from the transfer of shares.

The portion considered dividends is subject to withholding equal to 20.315% (15.315% in income taxes and the Special Reconstruction Income Tax under the Act on Special Measures concerning Securing Financial Resources Necessary for Implement Measures for Reconstruction in Response to the Great East Japan Earthquake (Law No. 117 of 2011; referred to as the "Special Reconstruction Income Tax") and 5% in resident taxes; non-residents with a permanent domestic establishment are specially exempt from the 5% resident tax); provided, however, that in the case where a shareholder is a large shareholder specified in Article 4-6-2, Paragraph 12 of the Order for Enforcement of the Act on Special Measures Concerning Taxation ("Large Shareholder, etc."), 20.42% of the payment is withheld (income tax and Special Reconstruction Income Tax only). In addition, the amount of income from the transfer of shares minus acquisition expenses relating to the shares is in principle subject to separate self-assessment taxation.

In the case where shares in a tax-free account ("Tax-Free Account") specified in Article 37-14 of the Special Taxation Measures Act (tax-free status of income from transfers relating to small amounts of publicly-traded shares in Tax-Free Accounts) are tendered pursuant to the Tender Offer and the financial instruments broker with which the tax-free account was opened is Mitsubishi UFJ Morgan Stanley Securities, income from the transfer of shares pursuant to the Tender Offer is in principle tax free. If the tax-free account was opened with a financial

instruments broker other than Mitsubishi UFJ Morgan Stanley Securities, the treatment described above may not apply.

(ii) In the case where the tendering shareholder is a non-resident without a permanent domestic establishment

The amount deemed to be dividends is subject to 15.315% withholding (income tax and Special Reconstruction Income Tax only). If the shareholder is a major shareholder, then the deemed dividends are subject to 20.42% withholding (income tax and Special Reconstruction Income Tax only). Further, income arising from the transfer of shares is in principle not subject to taxation in Japan.

(b) Corporate shareholders

In the case where a tendering shareholder is a corporate shareholder, if the amount of money received for tendering and delivering shares pursuant to the Tender Offer exceeds the amount of the portion corresponding to the shares that are the basis of the delivery included in the Tender Offeror's capital (i.e., the purchase price per share exceeds the purchaser's capital per share), the amount of the excess portion is deemed to be dividends and is subject to 15.315% withholding (income tax and Special Reconstruction Income Tax only).

Foreign shareholders (here and hereafter, shareholders who are residents of a foreign country specified in an applicable tax treaty (including corporate shareholders)) who wish to have the income tax and Special Reconstruction Income Tax on the deemed dividend amount reduced or exempted pursuant to an applicable tax treaty must inform the tender offer agent by April 10, 2014 that written notice regarding the tax treaty will be submitted and submit the notice to the tender offer agent by the business day (May 2, 2014) immediately prior to the payment commencement date.

(7) Other

(a) This Tender Offer is not conducted in the United States or for the United States, either directly or indirectly, and is not conducted by means of U.S. mail or other interstate or international commerce methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), and moreover, is not conducted through any securities exchange facility in the United States. This Tender Offer may not be subscribed through any of the aforementioned methods or means, or through the aforementioned facilities, or from the United States.

Furthermore, this document and related documents regarding the Tender Offer are not sent to or distributed and may not be sent or distributed in the United States or from the United States by means of mail or any other method. The Company will not accept any subscriptions to this Tender Offer that directly or indirectly violate the aforementioned restrictions.

Subscribing shareholders and other relevant parties (standing proxies in case of foreign shareholders) are requested to make the following representations and warranties to the tender offer agent when tendering shares pursuant of the Tender Offer.

Subscribing shareholders and other relevant parties: (i) are not in the United States at the time of subscription and submission of the tender offer subscription; (ii) have not received or sent any information regarding the Tender Offer (including any copies), directly or indirectly, in the United States, to the United States, or from the United States; (iii) have not used, directly or indirectly, any U.S. mail, other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), and securities exchange facilities in the United States, when signing and delivering any offer or tender offer subscription forms; and (iv) do not act as any other party's agent, trustee or mandatary without discretionary power (except when such other party gives all instructions regarding the offer from the outside of the United States).

(b) The Company received a response from Isono Shokai, the Company's fifth largest shareholder holding 20,772,808 shares (2.15% of all outstanding shares), affirming its intention to tender 15,772,808 shares of its holdings of the Company's common stock (1.63% of the total number of all outstanding shares) if the Company adopts a resolution to implement a tender offer for its own shares. Isono Shokai further responded that it plans to retain for the foreseeable future the 5,000,000 shares (0.52% of the Company's total issued shares) that are not to be tendered to the Tender Offer.

(c) The Company released the "Summary of Financial Results (Consolidated) for the Year Ended December 31, 2013 (Under Japanese GAAP)" on February 13, 2014. A brief summary of the Company's financial results according to the release is as follows. The financial results were not audited pursuant to the provisions of Article 193-2, Paragraph 1 of the Act. Please refer to the content of the release for details.

Summary of Financial Results (Consolidated) for the Year Ended December 31, 2013 (Under Japanese GAAP)

(From January 1, 2013 to December 31, 2013)

(i) Profit and Loss (Consolidated)

Settlement Date	Fiscal Year Ended December 31, 2013 (175th Term)
Sales	2,254,585 million yen
Cost of sales	1,287,590 million yen
Selling, general, and administrative expenses	824,177 million yen
Non-operating income	16,555 million yen
Non-operating expenses	27,239 million yen
Net income	85,656 million yen

(2) Per Share Data (Consolidated)

Settlement Date	Fiscal Year Ended December 31, 2013 (175th Term)
Net income per share	90.76 yen
Dividends per share	36.00 yen
Net assets per share	1,157.66 yen

(Reference 1) Treasury shares held as of February 28, 2014

Total shares outstanding (excluding treasury shares): 929,321,308 shares

Treasury shares held: 35,678,692 shares

(Reference 2) Change of the Number of Shares Constituting One Unit Share

As the Company announced in the February 13, 2014 “Notice Concerning Change of the Number of Shares to Constitute One Unit Share and Partial Amendment to the Articles of Incorporation,” the number of shares constituting one unit share will be changed from 1,000 shares to 100 shares effective April 1, 2014, which falls during the Tender Offer Period.