

## FOR IMMEDIATE RELEASE

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## Notice Concerning Share Transfer Associated with Change in a Consolidated Company and (Expected) Gain on Transfer

**Tokyo, February 5, 2019** – Kyowa Hakko Kirin Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; President and COO: Masashi Miyamoto; hereinafter, “Kyowa Hakko Kirin” or the “Company”) hereby announces that, at a meeting held on February 5, 2019, the Board of Directors resolved that the Company will transfer 95% of its shareholdings in its consolidated subsidiary, Kyowa Hakko Bio Co., Ltd. (President & Chief Executive Officer: Takeshi Minakata; hereinafter, “Kyowa Hakko Bio”) to Kirin Holdings Company, Limited (President and CEO: Yoshinori Isozaki; hereinafter, “Kirin Holdings”) (hereinafter referred to as “the Share Transfer”) and concluded a share transfer agreement with Kirin Holdings (hereinafter referred to as “the Agreement”) on the same date.

### 1. Purpose of the Share Transfer

The Kyowa Hakko Kirin Group companies possess the Management Philosophy “to contribute to the health and well-being of people around the world by creating new value through the pursuit of advances in life sciences and technologies.” In accordance with this philosophy, its businesses cover Bio-Chemicals and other businesses around the core Pharmaceuticals business. Kyowa Hakko Bio was established in 2008 by Kyowa Hakko Kogyo Co., Ltd. (now Kyowa Hakko Kirin or the Company) as a spin-off of the Bio-Chemicals business. As the subsidiary of the Kyowa Hakko Kirin Group companies responsible for the Bio-Chemicals business, it has leveraged its wide-ranging knowledge of fermentation and synthesis to supply a variety of products, such as amino acids, nucleic acids, vitamins, peptides and synthetic compounds to customers in Japan and overseas, providing goods and services that meet the health needs of people around the world. Kyowa Hakko Bio has worked constantly to strengthen its production and supply frameworks and to increase the added value of its existing products, while implementing initiatives to create new products and businesses. Recently it has continued to provide new value in fields such as preventative and presymptomatic medicine, which are core features of the FY2016-2020 Mid-term Business Plan, through collaborations with other Kirin Group companies and with academia, the creation of *Lactococcus lactis* strain plasma products under the iMuse brand, and the establishing of branded nutrition products in the U.S., and so on.

Conversely, under its “New Kirin Group Vision 2021” long-term management vision for 2021, Kirin Holdings, by utilizing its unique business portfolio, centered on the Alcoholic and Non-Alcoholic Beverages businesses and the Pharmaceuticals and Bio-Chemicals businesses, as well as its strengths in engineering and marketing, has aimed to co-achieve sustainable growth with our societies by addressing social issues through the businesses and realizing value creation for the customers. In 2017, “iMuse” was launched as a group-wide brand to address the three major areas of health and well-being, community engagement, and the environment. Through such initiatives as the commercialization of the “*Lactococcus lactis* strain plasma,” which has been the fruit of joint development between three companies of the Kirin Group, Kirin Company, Limited, Koiwai Dairy Products Co., Ltd., and Kyowa Hakko Bio, Kirin Holdings has advanced its contributions to health and well-being, while facilitating collaboration with the Kyowa Hakko Kirin Group.

Kyowa Hakko Kirin has hitherto considered a variety of approaches to maximizing the sustainable growth and corporate value of Kyowa Hakko Bio. As a result of considering and discussing the possibility for further collaboration in the business domain of health and well-being on which Kirin Holdings is focusing as a future growth driver, the Company came to the decision that by making Kyowa Hakko Bio a direct subsidiary of Kirin Holdings, it would be possible to more effectively use each other's strengths and management resources, as well as raise the speed of business development, beginning with the health and well-being domain, and so open the way to maximizing group synergies and the corporate value of Kyowa Hakko Bio. In addition, the Share Transfer would allow the Company to concentrate management resources on the Pharmaceuticals business, primarily new drug development, and to further accelerate the pace of growth, leading in turn to the maximization of corporate value of the Kyowa Hakko Kirin Group companies. Accordingly, it was decided that part of the Kyowa Hakko Bio shareholding would be sold to Kirin Holdings.

## 2. Description of the subsidiary company (As of December 31, 2018)

(1)	Company name	Kyowa Hakko Bio Co., Ltd.		
(2)	Address	1-9-2 Otemachi, Chiyoda-ku, Tokyo		
(3)	Title and name of representative	Takeshi Minakata, President & Chief Executive Officer		
(4)	Business description	Research, development, manufacture and sale of raw materials for pharmaceutical and industrial use, healthcare products and others		
(5)	Capital	10,000 million yen		
(6)	Establishment	October 1, 2008		
(7)	Major shareholders (interests)	Kyowa Hakko Kirin Co., Ltd (100%)		
(8)	Relationship between the Company and Kyowa Hakko Bio	Capital	The Company owns 10 issued shares (100%) of Kyowa Hakko Bio.	
		Personnel	One Executive Officer from the Company concurrently serves as a Director of the Board in Kyowa Hakko Bio, and two Audit & Supervisory Board Members concurrently serve as Company Auditors in Kyowa Hakko Bio. Moreover, 25 employees of the Company are posted to Kyowa Hakko Bio, and 7 employees of Kyowa Hakko Bio are posted to the Company.	
		Business	The Company makes transactions for the consignment of manufacturing of raw materials for pharmaceutical use, and for loan through cash management system with Kyowa Hakko Bio, and provides internal administrative services and leases offices, etc. for Kyowa Hakko Bio.	
		Related party status	Kyowa Hakko Bio is a consolidated subsidiary of the Company, and comes under the category of related party.	
(9)	Consolidated results of operations and consolidated financial position of Kyowa Hakko Bio within the past three years (IFRS)			
	Fiscal year closing months	Dec. 2016	Dec. 2017	Dec. 2018
	Total assets	131,443 million yen	130,024 million yen	130,847 million yen
	Revenue	81,807 million yen	81,136 million yen	78,204 million yen
	Core operating profit	5,556 million yen	7,189 million yen	8,128 million yen

(Note 1) Figures in the above consolidated operating results and consolidated financial position for the fiscal year ended December 31, 2018 have not been audited by an accounting auditor.

(Note 2) Core operating profit was calculated by deducting "selling, general and administrative expenses" and "research and development expenses" from "gross profit," and adding "share of profit (loss) of investments accounted for using equity method" to the amount.

## 3. Description of the counterparty of the share transfer (As of December 31, 2018)

(1)	Company name	Kirin Holdings Company, Limited	
(2)	Address	10-2, Nakano 4-chome, Nakano-ku, Tokyo	
(3)	Title and name of representative	Yoshinori Isozaki, President and CEO	
(4)	Business description	Developing group-wide management strategies and overseeing their implementation	
(5)	Capital	102,046 million yen	
(6)	Establishment	February 23, 1907	
(7)	Total equity (Consolidated)	1,229,206 million yen (Fiscal year ended December 31 2017)	
(8)	Total assets (Consolidated)	2,399,082 million yen (Fiscal year ended December 31 2017)	
(9)	Major shareholders (interests) (As of December 31, 2018)	<p>The Master Trust Bank of Japan, Ltd. (Trust Account) 7.93%</p> <p>Japan Trustee Services Bank, Ltd. (Trust Account) 4.95%</p> <p>Meiji Yasuda Life Insurance Company (Standing Proxy: Trust &amp; Custody Services Bank, Ltd.) 3.61%</p> <p>JP MORGAN CHASE BANK 380055 (Standing Proxy: Mizuho Bank, Ltd., Settlement &amp; Clearing Services Division) 3.30%</p> <p>Japan Trustee Services Bank, Ltd. (Trust Account 5) 1.94%</p> <p>Japan Trustee Services Bank, Ltd. (Trust Account 4) 1.89%</p> <p>STATE STREET BANK AND TRUST COMPANY (Standing Proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Service Division) 1.71%</p> <p>STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing Proxy: Mizuho Bank, Ltd., Settlement &amp; Clearing Services Division) 1.59%</p> <p>Japan Trustee Services Bank, Ltd. (Trust Account 7) 1.50%</p> <p>STATE STREET BANK WEST CLIENT – TREATY 505001 (Standing Proxy: Mizuho Bank, Ltd., Settlement &amp; Clearing Services Division) 1.43%</p>	
(10)	Relationship between the Company and Kirin Holdings	Capital	Kirin Holdings holds 288,819 thousand shares of the Company, equivalent to 50.10% of the total number of shares issued by the Company.
		Personnel	One Director of the Board from Kirin Holdings concurrently serves as a Director of the Board in the Company, and one Audit & Supervisory Board Member concurrently serves as an Audit & Supervisory Board Member in the Company. Moreover, 11 employees of the Company are posted to Kirin Holdings, and 17 employees of Kirin Holdings are posted to the Company.
		Business	The Company lends funds to Kirin Holdings.
		Related party status	Kirin Holdings is the parent of the Company and falls under the category of related party.

**4. Number of shares to be transferred, transfer price and percentage of shareholding before and after the transfer**

(1) Shares owned before change	100 shares (Number of voting rights: 100) (Voting rights ownership percentage: 100%)
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(2) Number of shares to be transferred and transfer price	95 shares, around 128.0 billion (Number of voting rights: 95)
(3) Shares owned after change	5 shares (Number of voting rights: 5) (Voting rights ownership percentage: 5%)

- (Note 1) The number of shares issued by the target company as of the time of this press release (February 5, 2019) is 10 shares, but the target company intends to conduct a 1:10 stock split before the Share Transfer takes place, so that at the time of the Share Transfer, the number of shares issued will be 100 shares. Furthermore, the number of shares and the number of voting rights in the above table use figures from after the stock split.
- (Note 2) The transfer price will be adjusted in accordance with the dividends of surplus paid to the Company by Kyowa Hakko Bio up to the date on which the Share Transfer is executed, and in accordance with the state of Kyowa Hakko Bio's total consolidated equity at the end of the month immediately preceding the month in which the transaction is closed.
- (Note 3) Concerning the shares of Kyowa Hakko Bio that the Company will continue to hold, the Company holds the right to sell said shares on the day that three years have elapsed since the date of the share transfer (provided, however, that if the Company and Kirin Holdings agree to a different date in a separate document, then the new agreed date will apply) or later.

## 5. Schedule

(1) The date of Board of Directors' resolution	February 5, 2019
(2) The date of contract execution	Same date as above
(3) Expected date of share transfer	April 24, 2019 (planned)

## 6. Prospects going forward

The impact of this transaction on the Company's consolidated earnings is reflected in the consolidated earnings forecasts for the year ending December 31, 2019, which are scheduled to be announced today in the Consolidated Financial Summary (IFRS) Fiscal 2018. However, as a result of the decision to implement the Share Transfer, from the first quarter of fiscal 2019 the Bio-Chemicals business is scheduled to be categorized as a discontinued operation. As a result, profits from the discontinued operations will be presented in the consolidated statement of profit or loss separately from the section for continuing operations.

The transfer price has not been finalized at this time but is expected to be around ¥128.0 billion. A gain on sale of investments in subsidiaries in the second quarter of fiscal 2019 stemming from the execution of the Share Transfer, in combination with a gain on revaluation of the remaining equity stake in Kyowa Hakko Bio based on the fair value as of the date on which the Company ceases to be the controlling shareholder, is expected to result in post-tax profits of around ¥30.0 billion being posted to the condensed quarterly consolidated statement of profit or loss, as profit from discontinued operations. In addition, the Company expects to record around ¥48.0 billion of a gain on sales of shares of subsidiaries and associates under extraordinary income in its non-consolidated operating results.

## 7. Matters related to transactions, etc. with controlling shareholder

- (1) Applicability of transactions, etc. with controlling shareholder, and conformity with policy on measures to protect minority shareholders in conducting transactions with controlling shareholder
- The Share Transfer is a transaction with Kirin Holdings, the parent of the Company, and falls under the category of transactions with the controlling shareholder. The "Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder" in the corporate governance report made available by the Company on December 18, 2018, states that "Transactions with the controlling shareholder shall be determined rationally and on the same conditions as general transactions, based on objective information obtained from the markets, etc. on which the goods and services of the Company, or the goods and services provided to the Company, are primarily traded." With regard to the Share Transfer, the "(2) Matters relating to measures to ensure fairness and to avoid conflicts of interest," and "(3) Summary of opinions from parties with no conflict of interest with

the controlling shareholder in relation to that the transaction, etc. is not disadvantageous to minority shareholders” below, have been adopted in order to prevent harm to the interests of minority shareholders, and we believe that our response is in conformity with the above policy.

(2) Matters relating to measures to ensure fairness and to avoid conflicts of interest

The Company has put in place the following measures in order to ensure the fairness of the Share Transfer, and to avoid conflicts of interest.

(i) Obtaining a share value calculation report from an independent third-party appraiser within the Company

In order to ensure fairness and reasonableness when finalizing the transfer price for the Share Transfer, the Company has requested a value calculation and obtained a share value calculation report, dated February 4, 2019, from Nomura Securities Co., Ltd. (“Nomura Securities”), a financial advisor and third-party appraiser that is independent of the Company and of Kirin Holdings. In addition to the above-mentioned share value calculation report, the Company has obtained from Nomura Securities a report (“Fairness Opinion”) on whether, based on certain preconditions, the agreed share price is reasonable for minority shareholders from a financial perspective. Based on this Fairness Opinion, the Company has determined that the agreed transfer price is reasonable for minority shareholders from a financial perspective. Please refer to Appendix 1 for the important preconditions, etc. relating to Nomura Securities’ Fairness Opinion.

(ii) Establishing of an independent Third-Party Committee within the Company

On November 22, 2018 the Company set up a third-party committee, with the objective of excluding any arbitrariness from decision-making in relation to the Share Transfer, and establishing a decision-making process characterized by fairness, transparency and objectivity. The members of this committee are Mr. Kentaro Uryu (Attorney-at-Law, Uryu & Itoga Law Firm), who is the Company’s Outside Director of the Board; Mr. Kimitoshi Yabuki (Attorney-at-Law, Yabuki Law Offices), an external expert; Mr. Yoshiyuki Iwata (ZECOO Partners Inc., certified public accountant & tax accountant). It has been resolved that said committee shall consider in reference to the Share Transfer (a) the appropriateness of the objective of the Share Transfer, (b) the fairness of the procedure and negotiation process in relation to the Share Transfer, (c) the reasonableness of the conditions of the Share Transfer, such as consideration etc., and (d) whether, on the assumption of (a) through (c) above, and of other matters, the Share Transfer is disadvantageous to the minority shareholders of the Company, and submit their opinion to the Board of Directors of the Company.

The Third-Party Committee met a total of seven times between December 7, 2018 to February 1, 2019 and, based on materials and information provided to the Third-Party Committee from the Company and the advisors of the Company, undertook a comprehensive and careful consideration focused on (a) through (d) above. The Third-Party Committee, having conducted the above-mentioned consideration, submitted to the Board of Directors of the Company on February 4, 2019 a report of its findings to the effect that, as a result of the investigations and evaluations described below, it believed that at this point in time the Company has reasonable grounds to execute the Share Transfer, and that there were no grounds for believing that the minority shareholders of the Company were particularly disadvantaged.

(A) With respect to item (a) above, there are no irrational or invalid points found in the explanation of the Company regarding the appropriateness of the transfer of the Kyowa Hakko Bio shares to its listed parent company (Kirin Holdings), considering the expected synergy effects and other benefits to be brought about and that such transfer can lead to maximization of the Company’s enterprise value; and therefore, it is considered that rationality and legitimacy can be recognized in the purposes of the Share Transfer;

(B) With respect to item (b) above, there are no points which are clearly unreasonable or cause doubt about the fairness of the procedures or processes found in the explanation by the Company and the Company’s Advisors (as defined below) on the following issues: (x) the Company appointed Nomura Securities as an independent calculation agent, independent from both the

Company and Kirin Holdings, and requested Nomura Securities to issue a Fairness Opinion; and the Company further appointed TMI Associates as a legal advisor, also independent from both the Company and Kirin Holdings (collectively, the “Company’s Advisors”). The Company has examined and carefully discussed the fairness of the price of the Kyowa Hakko Bio Shares (the “Price”) and the series of procedures from the viewpoint of improving the Company’s enterprise value and the common interests of shareholders (especially the protection of minority shareholders’ interests), upon receiving advice and opinions from the Company’s Advisors; (y) no particular fact is found which would infer that any person with special interests in the Share Transfer, such as someone who has interests in Kirin Holdings, had inappropriate influence on the Company’s side in the process of consultation, examination and negotiation concerning the Share Transfer; and (z) the Company has engaged in substantive discussions and negotiations with Kirin Holdings several times over the Price and the terms and conditions of the share purchase agreement, bearing in mind the need to protect the interests of minority shareholders. Based on the above observations, the procedures and process of negotiations in connection with the Share Transfer described above are considered to be fair from the viewpoint of minority shareholders;

(C) With respect to item (c), the Third-Party Committee received an explanation from Nomura Securities that the calculation process used in Nomura Securities’ Kyowa Hakko Bio Share Valuation Report was a calculation method based on appropriate standards in terms of current valuation practice. The Third-Party Committee did not find any particularly unreasonable points in such explanation and the Price was in the range of such calculation results. The Company has obtained a Fairness Opinion from Nomura Securities stating that the Price is reasonable for the shareholders of the Company other than Kirin Holdings from a financial viewpoint. In addition, the Company negotiated with Kirin Holdings while receiving advice and opinions from the independent Company’s Advisors. Based on those elements, it is recognized that the Price and various conditions, including the terms and conditions of the Agreement, have been agreed upon through proceedings and negotiations in which fairness is recognized. Further, there are no clearly unreasonable points in the explanation from the Company and the Company’s Advisors, and it is therefore considered that the Price and various conditions, including the terms and conditions of the Agreement, are reasonable from the viewpoint of the interests of minority shareholders.

(D) With respect to item (d), no factors have been found up to now that would infer that the Share Transfer is in any way disadvantageous to the Company’s minority shareholders on points other than those already examined in items (a) to (c) above. Accordingly, taking all of the conclusions of items (a) to (c) above into comprehensive consideration, it has been decided that the Share Transfer is deemed to be not particularly disadvantageous to the Company’s minority shareholders.

(iii) Counsel to the Company from an independent law firm

In order to ensure the transparency and the rationality of the decision-making processes of the Board of Directors of the Company in relation to the Share Transfer, the Company appointed TMI Associates, a legal advice firm that is independent of the Company and of Kirin Holdings, receiving legal advice from TMI Associates in relation to the method, process and other points to note for decision-making by the Board of Directors of the Company in regard to the Share Transfer, as well as obtaining a legal opinion.

(iv) Opinion to the effect that all Directors that do not have conflicts of interest in the Company approve, and that all Audit & Supervisory Board Members that do not have a conflict of interest have no objections

Mr. Noriya Yokota, a Director of the Company, serves concurrently as a Director of Kirin Holdings, while Mr. Motoyasu Ishihara, Audit & Supervisory Board Member of the Company, also serves concurrently as an Audit & Supervisory Board Member of Kirin Holdings. Accordingly, in order to enhance the fairness and objectivity of the decision-making of Board of Directors of the Company in relation to the Share Transfer, and from the perspective of preempting any suspicion of conflicts of interest, Mr. Noriya Yokota and Mr. Motoyasu Ishihara have not participated in any of the

deliberations or decisions for resolutions related to the Share Transfer, neither have they represented the Company in discussions or negotiations with Kirin Holdings.

Furthermore, at a meeting of the Board of Directors held on February 5, 2019, which was attended by all Directors with the exception of Mr. Noriya Yokota, it was resolved by the unanimous approval of all Directors attended that the Agreement should be concluded. Also, this meeting, which was attended by all Audit & Supervisory Board Members as well with the exception of Mr. Motoyasu Ishihara, resulted in an opinion to the effect that none of the Audit & Supervisory Board Members attended had objections to the Share Transfer resolution.

- (3) Summary of opinions from parties with no conflict of interest with the controlling shareholder in relation to that the transaction, etc. is not disadvantageous to minority shareholders

Because the Share Transfer corresponds to a significant transaction etc. with the controlling shareholder, the Company received a report dated February 4, 2019 from the Third-Party Committee, whose members consist of the Company's Outside Director of the Board Mr. Kentaro Uryu, and external experts Mr. Kimitoshi Yabuki and Mr. Yoshiyuki Iwata, all of who are independent from the Company and Kirin Holdings, and this report found that the Share Transfer was not disadvantageous to the minority shareholders of the Company, as described in "(ii) Establishing of an independent Third-Party Committee within the Company" in "(2) Matters relating to measures to ensure fairness and to avoid conflicts of interest," above. For an outline of the report, please refer to "(ii) Establishing of an independent Third-Party Committee within the Company" in "(2) Matters relating to measures to ensure fairness and to avoid conflicts of interest."

## Appendix 1

### Assumption and Disclaimer of Fairness Opinion provided by Nomura Securities.

Nomura Securities has assumed and relied upon the accuracy and completeness of all public information reviewed by Nomura Securities and all financial, legal, regulatory, tax, accounting and other information provided to Nomura Securities for the purpose of rendering the Fairness Opinion. Nomura Securities did not independently verify the accuracy and completeness of such information, nor does Nomura Securities assume any responsibility for doing so. Nomura Securities has not made any independent valuation, appraisal or assessment of any of the assets or liabilities (including derivatives, off-balance sheet assets and liabilities, and other contingent liabilities) of Kyowa Hakko Bio and its affiliates, including analyses or valuations of individual assets or liabilities, nor has Nomura Securities received any such valuation, appraisal, assessment or analysis from Kyowa Hakko Kirin or a third party. Moreover, Nomura Securities has not made any request to a third party for such valuation, appraisal or assessment. With respect to the financial projections and other forward-looking information concerning Kyowa Hakko Bio provided to Nomura Securities, Nomura Securities has assumed that such information was reasonably reviewed by the management of Kyowa Hakko Kirin based on the best and bona fide estimates and judgments currently available, and that the future financial condition of Kyowa Hakko Bio will be consistent with such projections. In preparing Fairness Opinion, Nomura Securities has relied upon such projections and other forward-looking information without independent verification. Nomura Securities provides no assurance whatsoever concerning the achievability of such financial projections. Nomura Securities has assumed, without independent verification and assumption of any responsibility thereof, that the sale of 95% of common stock of Kyowa Hakko Bio (95% of such stock as the "Target Shares"), the wholly owned subsidiary of Kyowa Hakko Kirin, to Kirin Holdings will be carried out lawfully and validly in accordance with the terms set forth in the Agreement and that the Share Transfer will not have any tax consequences different from the assumed consequences provided to Nomura Securities. In addition, Nomura Securities has assumed, without independent verification and assumption of any responsibility thereof, that all governmental, regulatory or other consents and approvals necessary for the consummation of the Share Transfer will be obtained without any adverse effect on the contemplated benefits of the Share Transfer and that the Share Transfer will be consummated in accordance with the terms of the Agreement, without waiver, modification or amendment of any material term or agreement therein. Nomura Securities was not asked to provide, and has not provided, any opinion on any transaction other than the Share Transfer or on the relative merits of the Share Transfer as compared to any other transaction. Nomura Securities is under no obligation to Kyowa Hakko Kirin or its Board of Directors to solicit indications of interest from any third party in connection with the Share Transfer, nor did Nomura Securities make any such solicitations.

Nomura Securities has acted as the financial advisor to Kyowa Hakko Kirin in connection with the Share Transfer and has been involved in a part of the negotiation thereto. Nomura Securities expects to receive from Kyowa Hakko Kirin fees for such services, including a fee contingent on the consummation of the Share Transfer. In addition, Nomura Securities may receive from Kyowa Hakko Kirin reimbursement of certain expenses incurred by Nomura Securities and its affiliates. The waiver and indemnity clauses specified in the agreement between Nomura Securities and Kyowa Hakko Kirin are applicable in connection with the rendering of Fairness Opinion. Nomura Securities and its affiliates may have provided and may in the future provide investment banking, other financial instruments and financing services or other similar services to Kyowa Hakko Kirin, Kirin Holdings, or their affiliates, for which Nomura Securities and its affiliates would expect to receive compensation. In the ordinary course of business, Nomura Securities and its affiliates may from time to time acquire, hold or sell certain equity, debt and other securities and various types of financial instruments, including derivatives, of Kyowa Hakko Kirin, Kirin Holdings, or their affiliates for Nomura Securities' own account or Nomura Securities' clients' accounts.

Nomura Securities' opinion expressed in Fairness Opinion (Nomura's Opinion) is provided for the information and assistance of the Board of Directors of Kyowa Hakko Kirin in connection with its consideration of the equity value per share, on which basis the purchase price of the Target Shares is determined (the "Equity Value per Share"). Nomura's Opinion addresses only the fairness of the Equity



Value per Share, from a financial point of view, under the conditions and assumptions set out in Fairness Opinion; Nomura Securities was not asked to provide, and does not provide herein, any opinion on any of the premises or assumptions upon which the determination of the Equity Value per Share was based or the underlying business decision of Kyowa Hakko Kirin to proceed with the Share Transfer. Nomura's Opinion does not constitute a recommendation as to how any holder of the shares of common stock of Kyowa Hakko Kirin or Kirin Holdings should vote or act on any matter relating to the Share Transfer. Furthermore, Fairness Opinion does not purport to provide any opinion on the past, current and future market prices of the common stock of Kyowa Hakko Kirin or Kirin Holdings. Nomura Securities does not provide independent advice related to legal, regulatory, tax, accounting or environmental matters in connection with the Share Transfer, and has relied upon the judgment of Kyowa Hakko Kirin or its third-party advisors concerning such matters.

Except as otherwise specially permitted under the agreement between Kyowa Hakko Kirin and Nomura Securities, Fairness Opinion may not be disclosed to any other person or used for any purpose other than as originally intended. Kyowa Hakko Kirin may not disclose, refer to, transmit or use Fairness Opinion, in whole or in part, without Nomura Securities' prior consent in writing.

Nomura's Opinion is based on financial, economic, market, business and other conditions as they exist on the date of Fairness Opinion, and relies upon information that Nomura Securities has as of the date of Fairness Opinion. Although Nomura's Opinion may be affected by future changes in conditions, Nomura Securities does not assume any responsibility to modify, change or supplement this opinion in the future.