

Intellectual Property Initiatives

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Kyowa Kirin Group Basic Intellectual Property Policy

Research and development (R&D) are the business foundation of the Kyowa Kirin Group, and therefore, intellectual property (IP) is an important business asset for us. For IP that is an essential part of our R&D and business strategies, we strive to maximize our product value through lifecycle management as well as acquire broad, strong, and effective rights and protect core technologies through strategic applications and maintenance of patents. At the same time, we endeavor to ensure freedom in our research and business activities while respecting the rights of other parties and promoting compliance so as not to infringe them, and we will respond promptly and appropriately to any IP dispute that may arise. We believe these activities contribute to maximizing the value of our global business activities, maximizing profits and minimizing risks, resulting in a stable supply of pharmaceuticals.

Roles of the Legal & Intellectual Property Department

The Legal & Intellectual Property Department oversees global IP-related operations of the Kyowa Kirin Group. By consolidating the IP-related operations for the entire group, the department is working to improve operational excellence and strengthen risk management in this field. Another goal of the department is to speed up the realization of business strategies to expand our R&D pipeline and product portfolio through stronger collaboration between legal and IP functions.

Planning and implementing strategies for acquiring and exploiting IP rights

The integration of R&D and business strategies with IP strategies is one of the key issues for the Kyowa Kirin Group, and we keep strengthening our IP management system from a global perspective.

In principle, our Group encourages our researchers to actively apply for patents based on their inventions born out of the research. However, in the patent application process and post-registration maintenance, we carry out evaluations from the perspectives of technology, business, and invention, and also consider cost-effectiveness to make accurate decisions on whether to file a patent application and to which countries such application be made, and whether to abandon unnecessary patents. Moreover, we regularly discuss patent strategies with the Group's relevant departments inside and outside of Japan, including strategy

divisions, R&D divisions, and production divisions. This enables us to build a patent portfolio that is consistent with our R&D and business strategies, considering the positioning of each theme within our R&D and business strategies and the positioning of individual patents within each theme. At the same time, it allows us to focus our internal IP resources on strategically important patents.

In addition, we regard it as essential to verify the IP environment for each theme at the important decision-making stage of R&D and business matters, and we have a system in place to support important projects, such as R&D themes, marketed products, and in- or out-licensing, with the participation of internal legal and IP experts. Our legal and IP experts cooperate to handle the issues related to IP.

Contribution to licensing activities

In recent years, it has become increasingly difficult to continue creating new products by an individual organization, and we are promoting in-licensing activities for new products through collaboration with other companies or academic institutions. We also pursue out-licensing and/or partnering activities for the company-owned assets if we could judge such scheme helps to maximize our business value.

To this end, we have positioned IP evaluation of potential in- or out-licensing projects as a key task, and conduct FTO (freedom to operate) searches and IP due diligence (IPDD) of patents in cooperation with related departments, thus promoting open innovation and supporting alliance activities.

Proper acquisition and protection of trademarks

To commerce our products globally, it is essential to acquire, protect and manage trademarks globally. In the same way as with patent rights, the Kyowa Kirin Group acquires and maintains appropriate trademark rights and conducts investigations to ensure that the rights of other parties are not infringed. In addition, we strive to ensure smooth product sales by collaborating with development, production, and marketing departments from the initial stage of product development.

Collaborating with experts and enhancing internal IP training

We position employee education on IP as one of the important tasks of the Legal & Intellectual Property Department, where we are formulating and implementing systematic education programs. To raise the awareness of all of our employees to IP issues, we are constantly

improving detailed training programs, for example, IP education program for new employees and those categorized by job type and position level, as well as focused themes according to the needs of individual research laboratories, and information research training.

We have also established a system for receiving advice and guidance from the external patent attorneys and lawyers with proven track records in the IP field in global to make sure that highly specialized issues are properly advised.