



May 11, 2022

To Whom It May Concern

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Absorption Type Merger (Simplified Merger and Short-Form Merger) of Wholly Owned Subsidiary KYORIN Pharmaceutical Co., Ltd., Change of Trade Name and Partial Amendment to Articles of Incorporation

As previously announced in “Notice of Merger Preparations at Consolidated Subsidiary KYORIN Pharmaceutical Co., Ltd.” as of February 4, 2022, KYORIN Holdings, Inc. (the “Company”) hereby announces that its Board of Directors, at its meeting today, passed a resolution to conduct an absorption-type merger of wholly owned subsidiary KYORIN Pharmaceutical Co., Ltd. (head office: Chiyoda-ku, Tokyo; Representative Director, President and CEO: Shigeru Ogihara, “KYORIN Pharmaceutical”) into the Company (“Merger”). And also, its Board of Directors passed a resolution to propose to change the Company’s trade name (the “Change of Trade Name”) and amend part of the articles of incorporation of the Company (the “Partial Amendment to the Articles of Incorporation”) at the 64<sup>th</sup> ordinary general meeting of shareholders scheduled on June 24, 2022 (the “Ordinary General Meeting of Shareholders”).

Since the Merger is an absorption-type merger of its wholly owned subsidiary, some disclosure items and details are omitted.

1. About the Merger

(1) Purpose of the Merger

In the business environment surrounding the Company and its group companies (collectively, the “Group”), not only the degree of difficulty in new drug creation is increasing along with enormous R&D investment to be required, but also drug price revisions are implemented for a wide range of ethical products annually, which are expected to affect the management of the Group greatly.

In view of such rapid changes in the environment and the situation of the Company, the Company will renovate the Group structure in 2023, when the Company will celebrate its 100<sup>th</sup> anniversary, in order to improve its business promotion function and management efficiency.

The Company shifts from a pure holding company structure to a business holding company structure through the reorganization of the Group by absorbing KYORIN Pharmaceutical, the main business subsidiary of the Group, into the Company on April 1, 2023, and changes its trade name to "KYORIN Pharmaceutical Co., Ltd." (reference: Attachment 1)

By renovating to a business holding company structure centered on KYORIN Pharmaceutical, the new drug business will be placed at the core of the group management and strongly promoted, while the generic drug business, infection-related business, and contract drug manufacturing business will be developed in a complex manner. The Company will attain to a leap forward for the next 100 years.

(2) Outline of the Merger

① Schedule for the Merger

Board of Directors resolution to commence merger preparations	February 4, 2022
Board of Directors resolution of merger	May 11, 2022
Date of execution of merger agreement	May 11, 2022
Date of absorption-type merger (Effective date of merger)	April 1, 2023 (Scheduled)

\*The Merger is simplified merger in accordance with Article 796, Paragraph 2 of the Companies Act for the Company and is short-form merger in accordance with Article 784, Paragraph 1 of the same act for KYORIN Pharmaceutical, and hence the Merger will be conducted without resolutions on the general meeting of shareholders of either company.

② Form of the Merger

This Merger is expected to take the form of an absorption-type merger, with the Company as the surviving company and KYORIN Pharmaceutical being dissolved.

③ Content of allotments related to the Merger

As KYORIN Pharmaceutical is a wholly owned subsidiary of the Company, no plans exist to issue new shares, funds or other assets as a result of the Merger. And also, no plans exist to augment common stock or capital reserve in relation to the Merger.

④ Handling of share options and bonds with share options related to the Merger

No applicable items.

(3) Outline of Parties (as shown in Attachment 2)

(4) Post-Merger Status (please refer to below 2 and 3)

① Trade name: KYORIN Pharmaceutical Co., Ltd.

② Head office location: 6, Kanda Surugadai 4-chome, Chiyoda-ku, TOKYO 101-8311, JAPAN

③ Representative: Representative Director, President and Chief Executive Officer, Yutaka Ogihara

④ Businesses: Manufacture, sale and purchases of prescription medicines

⑤ Capital stock: 700 Million yen

⑥ Fiscal year-end: March 31

(5) Outlook for the future

As KYORIN Pharmaceutical is a wholly owned subsidiary of the Company, the impact of the Merger on consolidated financial results of the Group is expected to be minor. If it becomes apparent that the Merger is likely to materially affect such consolidated financial results, the Company will provide timely notice of such expectations.

2. Change of Trade Name

(1) Reason for change

The Company will shift from a pure holding company structure to a business holding company structure by the Merger, and change its trade name in order to inherit the drug discovery and the pharmaceutical business of KYORIN Pharmaceutical.

(2) New Trade Name

KYORIN Pharmaceutical Co., Ltd.

(3) Effective Date to New Trade Name

April 1, 2023 (Scheduled)

Note: Change of Trade Name is conditional upon approval for the Partial Amendment to the Articles of Incorporation at the Ordinary General Meeting of Shareholders and

effectiveness of the Merger.

3. Partial Amendment to the Articles of Incorporation

(1) Purpose of change

The Company will change its trade name as described in above 2 and change the business purpose with shift from a pure holding company structure to a business holding company structure.

(2) Detail of change

- ① Change of trade name
- ② Change of purpose

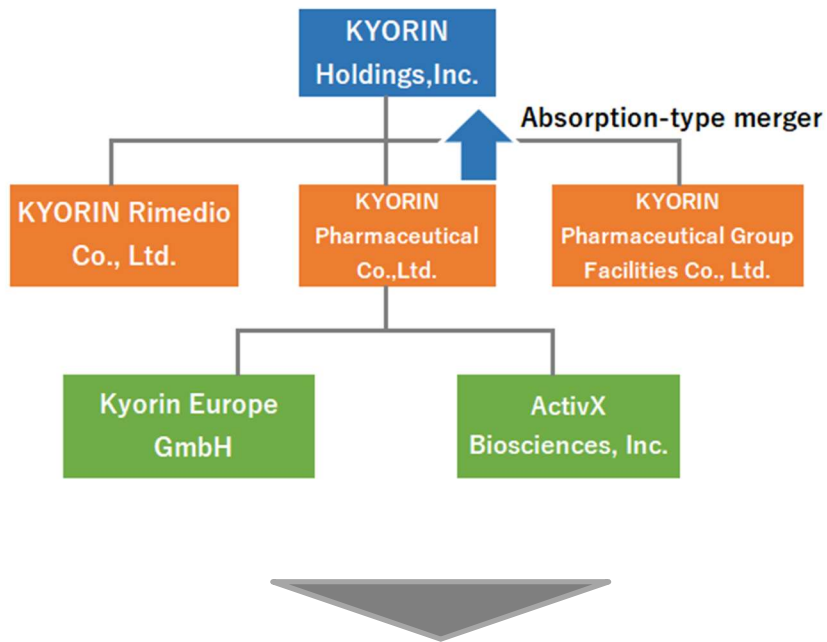
Detail is as described in Attachment 3

(3) Schedule of change

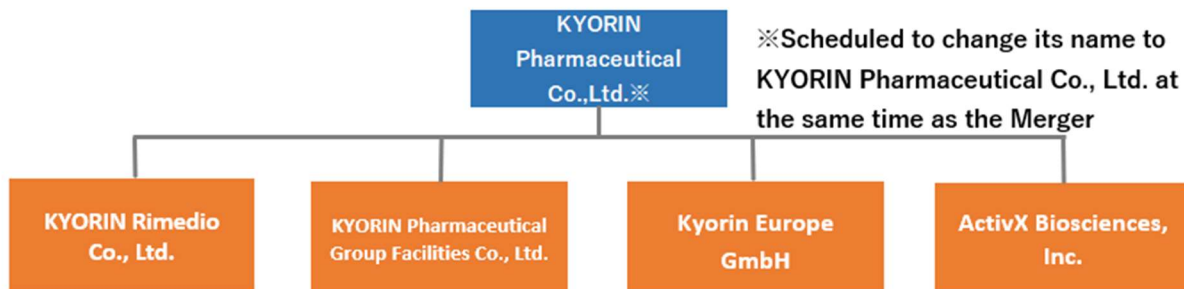
Date of the Ordinary General Meeting of Shareholders	June 24, 2022 (Scheduled)
Effective date of the Partial Amendment to the Articles of Incorporation	① Change of trade name: April 1, 2023 (Scheduled) ② Change of purpose: June 24, 2022 (Scheduled)

Note: The Partial Amendment to the Articles of Incorporation is conditional upon approval for the Partial Amendment to the Articles of Incorporation at the Ordinary General Meeting of Shareholders.

### [ Pure Holding Company Structure ]



### [ Business Holding Company Structure ]



## (Attachment 2: Outline of Parties)

	Surviving Company in Absorption-type merger	Resolving Company in Absorption-type merger
(1) Trade Name	KYORIN Holdings, Inc.	KYORIN Pharmaceutical Co., Ltd.
(2) Head office location	6, Kanda Surugadai 4-chome, Chiyoda-ku, TOKYO	6, Kanda Surugadai 4-chome, Chiyoda-ku, TOKYO
(3) Representative	Representative Director, President and Chief Executive Officer, Yutaka Ogihara	Representative Director, President and Chief Executive Officer, Shigeru Ogihara
(4) Business	Business strategy of the entire Group	Manufacture, sale and purchases of prescription medicines
(5) Capital Stock	700 Million yen	4,317 Million yen
(6) Establishment Date	October 31, 1958	December 4, 1940
(7) Issued Shares	64,607,936 shares	74,268,150 shares
(8) Fiscal year-end	March 31	March 31
(9) Major Shareholders (As of March 31, 2022)	The Master Trust Bank of Japan, Ltd. (Trust Account) 11.01% Mykam Co., Ltd. 8.32% Custody Bank of Japan, Ltd. (Trust Account) 4.48% Employee shareholding association 3.66% Banrina Co., Ltd. 3.35%	KYORIN Holdings, Inc. 100%
(10) Financial Condition and Result of Operations of Most Recent Fiscal year end (FY 2021)		
Net Assets	124,507 Million yen	119,232 Million yen
Assets	171,924 Million yen	159,980 Million yen
Net Assets Per Share	2,172.83 yen	1,605.43 yen
Net Sales	105,534 Million yen	92,010 Million yen
Operating Profit	5,007 Million yen	2,859 Million yen
Ordinary Profit	5,569 Million yen	3,781 Million yen
Profit	3,932 Million yen	2,620 Million yen
Earnings Per Share	68.62 yen	35.28 yen

Current Articles of Incorporation	Proposed Amendments
<p>(Trade Name) Article 1. The trade name of the Company shall be <u>KYORIN Seiyaku Holdings Kabushiki Kaisha</u>, which is expressed in English as <u>KYORIN Holdings, Inc.</u></p> <p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following business: 1) <u>To hold shares or equity of domestic and/or overseas companies engaged in various business to control and manage the business activities of such companies and support their business management.</u> 2) <u>To provide guidance on business management to other companies whose shares or equity the Company owns, and to perform human resources, general affairs, finance &amp; accounting, and other administrative work entrusted by such companies.</u> 3) <u>To acquire, maintain, manage, license, and transfer industrial property rights.</u> 4) <u>To carry out all business incidental to or relating to any of the foregoing.</u></p>	<p>(Trade Name) Article 1. The trade name of the Company shall be <u>KYORIN Seiyaku Kabushiki Kaisha</u>, which is expressed in English as <u>KYORIN Pharmaceutical Co., Ltd.</u></p> <p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following business: 1. <u>Manufacture, purchase, sell, export and import of pharmaceuticals, quasi-pharmaceutical products, pharmaceuticals for animals, diagnostic reagents, industrial chemicals, agricultural chemicals, poisonous and deleterious substances other than pharmaceuticals, sanitary supplies, and sanitary products</u> 2. <u>Manufacture, purchase, sale, export and import of medical equipment, medical instruments, measuring equipment, and health equipment</u> 3. <u>Drug development testing, formulation research, safety testing, manufacture of investigational new drugs, and consignment thereof</u> 4. <u>Manufacture, purchase, sale, export and import of chemical foods, health foods, nutritional foods, food additives, fragrances, and cosmetics</u> 5. <u>Production, sale, export and import of laboratory animals</u> 6. <u>Purchase, sale, export and import of paper, processed paper, and oils and fats for fuel</u> 7. <u>Purchase, sale, export and import of food</u> 8. <u>Purchase, sale, export and import of telecommunications machinery and appliances, optical equipment, packaging equipment, ceramics, office supplies, miscellaneous daily goods, and textile products for apparel</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p> <u>9. Management, purchase, sale and lease of real estate and sports facilities</u>  <u>10. Printing and publishing</u>  <u>11. Advertising agency business</u>  <u>12. General leasing</u>  <u>13. Warehousing, freight transportation, and transport agency business</u>  <u>14. Information processing services and information provision services</u>  <u>15. Medical waste disposal</u>  <u>16. Money loan and trading of securities</u>  <u>17. Acquisition, maintenance, management, licensing, and transfer of industrial property rights</u>  <u>18. Holding of shares or equity of domestic and/or overseas companies engaged in various business to control and manage the business activities of such companies</u>  <u>19. Provision of guidance on business management to, and entrusted administrative work for, other companies whose shares or equity the Company owns</u>  <u>20. All business incidental to or relating to any of the foregoing, and investment in business relating to the same</u> </p> <p> <u>Supplementary Provisions</u>  <u>① The amendments to Article 1 (Trade Name) shall take effect, subject to the entering into effect of the absorption-type merger under the merger agreement between the Company and KYORIN Pharmaceutical Co., Ltd. (concluded on May 11, 2022) as the condition precedent thereto, upon the said effective date.</u> </p>