



February 4, 2022

Whom It May Concern

Company: KYORIN Holdings, Inc.
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Representative Director, President
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Notice of Merger Preparations at Consolidated Subsidiary,
KYORIN Pharmaceutical Co., Ltd.

The Board of Directors of KYORIN Holdings, Inc. (the “Company”), passed a resolution today to begin preparations for an absorption-type merger of wholly owned subsidiary KYORIN Pharmaceutical Co., Ltd. (head office: Chiyoda-ku, Tokyo; Representative Director, President: Shigeru Ogihara, “KYORIN Pharmaceutical”) into the Company.

1. Purposes of the merger

(1) Background and purposes

Under the corporate philosophy “KYORIN continues to fulfill its mission of cherishing life, and benefiting society by contributing to better health,” the Kyorin Group has established a long-term vision, HOPE100. In the current medium-term business plan HOPE100–Stage 3–, its goal is to become a globally recognized company by creating innovative new drugs.

On the other hand, in the business environment surrounding the Group, not only is a higher degree of difficulty in new drug creation and enormous R&D investment is required, but also drug price revisions are implemented for a wide range of products annually, which is 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 100th anniversary, in order to improve its business promotion function and management efficiency. Specifically, by reorganization within the group absorbing KYORIN Pharmaceutical Co., Ltd., the main business subsidiary of the group into the Company on April 1, 2023, The Company will start the necessary procedures and other preparations toward shifting from a pure holding company structure to a business holding company structure. The Company is also considering changing its trade name to "Kyorin Pharmaceutical Co., Ltd." on the same date. 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 build a system to make 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
Date of execution of merger agreement	May 11, 2022 (Planned)
Date of absorption-type merger (Effective date of merger)	April 1, 2023 (Planned)

(2) Form of the merger

The 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 or augment common stock in relation to the merger, nor is any money expected to be delivered due to the merger.

(4) Handling of share options and bonds with share options in KYORIN Pharmaceutical

No applicable items.

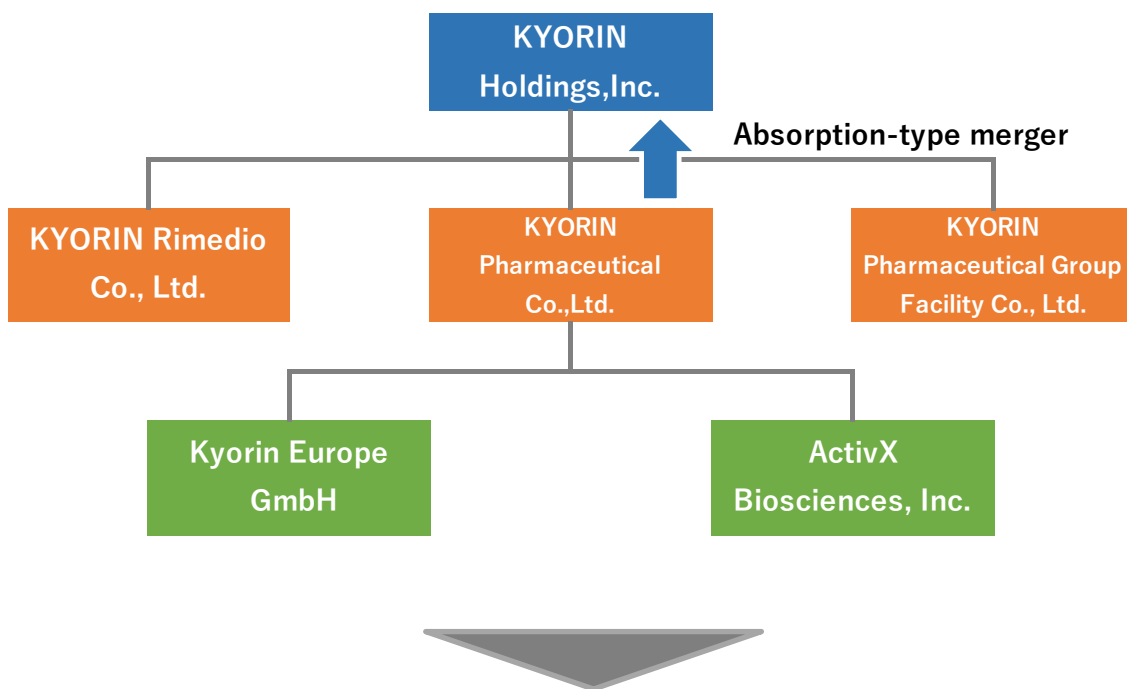
3. Outlook for the future

Subject to approval of the proposal to revise the Articles of Incorporation at the Ordinary General Meeting of Shareholders of the Company, scheduled in late June, 2022, the Company is considering to change business content at the end of the Ordinary General Meeting of Shareholders and change its trade name to KYORIN Pharmaceutical on April 1, 2023.

As KYORIN Pharmaceutical is a subsidiary with 100% of its voting rights owned by the Company, the impact of the merger on consolidated financial results is expected to be minor. If it becomes apparent that the merger is likely to materially affect consolidated operating performance, the Company will provide timely notice of such expectations.

This notice informs the basic policy regarding the absorption-type merger of a wholly owned subsidiary, and the Company will promptly announce the details as soon as they are finalized.

[Pure Holding Company Structure]



[Business Holding Company Structure]

