

Company Name Kyowa Hakko Kirin Co., Ltd.  
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## Matters concerning controlling shareholders

**Tokyo, Japan, March 30, 2018** - Kyowa Hakko Kirin Co., Ltd. (hereinafter, "Kyowa Hakko Kirin") hereby provides information on "matters concerning controlling shareholders" with regard to its parent company Kirin Holdings Co., Ltd. (hereinafter, "Kirin Holdings"). Details are as follows:

- Names of the parent company, controlling shareholder (excluding parent company) and other associated companies and their parent companies.

(As of December 31, 2017)

Business name	Relation-ship	Ownership of voting rights (%)			Stock exchanges on which shares are listed
		Direct	Indirect	Total	
Kirin Holdings Company, Ltd.	Parent company	52.77	--	52.77	- Tokyo Stock Exchange, Inc. (1 <sup>st</sup> section) - Nagoya Stock Exchange, Inc. (1 <sup>st</sup> section) - Securities Membership Corporation Sapporo Securities Exchange - Securities Membership Corporation Fukuoka Stock

- Position of listed company within the corporate group centering on the parent company and other relationships between listed company and the parent company.

- Position of listed company within the corporate group centering on the parent company, transactional, personal and capital relationships, etc. with the parent company and its group companies

The parent company Kirin Holdings holds 52.77% of Kyowa Hakko Kirin voting rights. Kyowa Hakko Kirin operates an ethical pharmaceuticals business and is a core company within the Pharmaceuticals Business division of Kirin Holdings.

As regards personal relationships, as of March 30, 2018, one Director of the Board, Senior Executive Officer of Kirin Holdings is appointed to Kyowa Hakko Kirin's non-executive Director of the Board with the aim of strengthening Kyowa Hakko Kirin's management structure and other initiatives, and one full-time Audit & Supervisory Board Member at Kirin Holdings also serves as a Kyowa Hakko Kirin's part-time Company Auditor.

- Constraints, risks and benefits from a business standpoint due to membership in the corporate group centering on the parent company, as well as impacts on management or business activities

such as those affected by transactional, personal and capital relationships, etc. with the parent company and its corporate group.

Kyowa Hakko Kirin believes that the brand strength and other management resources which derive from Kirin Holdings and its group companies contribute to increasing the corporate value of Kyowa Hakko Kirin and its group. Through membership in the Kirin Holdings corporate group, Kyowa Hakko Kirin is able to make effective use of these management resources.

As a core company operating an ethical pharmaceuticals business in the Kirin Holdings corporate group, Kyowa Hakko Kirin maintains management independence and considers itself to be unconstrained from a business standpoint and its management or business activities to be unaffected by transactional, personal and capital relationships, etc. with the parent company and its corporate group.

### 3) Measures to ensure independence from the parent company

Kyowa Hakko Kirin is a consolidated subsidiary of Kirin Holdings, a non-operating holding company that holds 50.10% of the total number of Kyowa Hakko Kirin's issued shares. In the Integration Agreement, dated October 22, 2007, it is agreed that both companies recognize that, Kyowa Hakko Kirin will operate as an autonomous company with independence and flexibility, ensure management independence as a listed company, strive to maximize value for all shareholders and achieve consistent growth of its corporate value, while observing Kirin Holdings' core group management policies, and Kirin Holdings will exert full and reasonable efforts to maintain Kyowa Hakko Kirin as a listed company.

To ensure the effectiveness of objective management supervision, of the seven Directors of the Board as of March 30, 2018, two are appointed as independent outside directors.

Kyowa Hakko Kirin's transactional relationships with Kirin Holdings and its group companies do include the lending of funds. Kyowa Hakko Kirin operates the lending in accordance with its own management policies, and loan interest rates are determined through rational decisions, taking into consideration market interest rates according to lending periods.

### 3. Transactions with controlling shareholders and other items

Consolidated fiscal year ended December 31, 2017

(million yen)

Category	Name	Transactions	Transaction amount	Balance at fiscal year-end
Parent company	Kirin Holdings Company, Ltd.	Lending of funds	131,494	143,227

(Note) Transaction amount is the average number of the balances through the period. Interest rate on the loan was determined with reasonable consideration to market interest rates. The transaction includes a part of cash equivalents (loans receivable from parent with the loan period of three months or less).

### 4. Implementation of measures to protect minority shareholders in transactions, etc. with controlling shareholder

Transactions with controlling shareholders, whether those be of goods and services provided by Kyowa Hakko Kirin or to Kyowa Hakko Kirin, are based on objective market information and other data, and as with ordinary transactions, rational terms are agreed and the transaction is conducted appropriately so that the minority shareholders are not disadvantaged.

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