

## Matters concerning controlling shareholders

**Tokyo, March 30, 2012** – Kyowa Hakko Kirin hereby provides information on “matters concerning controlling shareholders.” with regard to its parent company Kirin Holdings Co., Ltd. Details are as follows:

1. Parent company, controlling shareholder (excluding parent company) and related details  
(As of December 31, 2011)

Business name	Relationship	Ownership (%)			Stock exchanges on which shares are listed
		Direct	Indirect	Total	
Kirin Holdings Company, Ltd.	Parent company	52.42	--	52.42	- Tokyo Stock Exchange (1 <sup>st</sup> section) - Osaka Securities Exchange (1 <sup>st</sup> section) - Nagoya Stock Exchange (1 <sup>st</sup> section) - Securities membership corporation Sapporo Securities Exchange - Securities membership Corporation Fukuoka Stock Exchange

2. Position of listed company within the parent company or group and other relationships with parent company

1) Position of listed company within the parent company or group, transactional and personal relationships with parent and other group companies, capital relationships, etc.

Parent company Kirin Holdings Co., Ltd. (hereafter, Kirin Holdings) holds 52.42% 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, 2012, one representative director of Kirin Holdings is also appointed to our Board of Directors as an external director with the aim of strengthening our management structure and other initiatives.

2) Measures to ensure independence from the parent and other group companies

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 outstanding shares. In the Integration Agreement, dated October 22, 2007, it is agreed that both companies recognize that while observing core group management policies, 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 our corporate value. Further, it is agreed by Kirin Holdings and Kyowa Hakko Kirin that during the 10 years following the signing of the Integration Agreement Kirin Holdings will in principle maintain a shareholding ratio of 50.10% in Kyowa Hakko Kirin and will exert full and reasonable efforts to maintain Kyowa Hakko Kirin as a listed company.

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

Consolidated fiscal year ended December 31, 2011

Classification	Name	Location	Capital (million yen)	Main business	Ownership (%) (held by the company)	Business Relationship	Transactions	Transaction amount (million yen)	Account item	Balance at end of term (million yen)
Parent company	Kirin Holdings	Chuo-ku, Tokyo	¥102,045	Holding company	(held by the company) Direct 52.42%	- Lending of funds - Concurrent directors	Lending of funds <sup>1</sup>	¥65,612	Short-term funds	¥82,473
							Sale of affiliate company shares <sup>2</sup>			
							- Proceeds	¥14,987	--	--
							- Gain	¥4,712	--	--

- 1) Lending of funds is the average balance of transactional amounts through the period and is derived from CMS (Cash Management System) transactions. The interest rate on the loan was determined with reasonable consideration to market interest rates.
- 2) Sale of affiliate company shares upon the transfer of the total holding of 474 shares of Kirin Kyowa Foods Company, Ltd., (35% shareholding ratio) to Kirin Holdings. The decision regarding the sale amount of the sale of shares was decided through discussions between Kyowa Hakko Kirin and Kirin Holdings and with reference to the opinions, etc., of financial advisors appointed independently by both firms.

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

Transactions with controlling shareholders, whether those be of goods and services provided by us or to us, are based on objective information such as market prices, 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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For further information please access: <http://www.kyowa-kirin.co.jp/english/index.html>