

FOR IMMEDIATE RELEASE

Company Name Kyowa Hakko Kirin Co., Ltd.
Representative Masashi Miyamoto, President and COO
(Code No.4151, First Section of TSE)
Inquiries Niro Sakamoto, Executive Officer,
Corporate Communications Department
Media Contact: +81-3-5205-7205
Investor Contact: +81-3-5205-7206

**Notice regarding allotment of stock acquisition rights
(stock compensation-type stock options)**

Tokyo, March 23, 2018 – Kyowa Hakko Kirin (hereinafter the “Company”) gives notice that in accordance with a resolution adopted at the 95th General Meeting of Shareholders held today pursuant to Article 239, Paragraph 1, Items 1 and 2 of the Corporation Law, at the Board of Directors meeting held today it determined the conditions related to an offer for subscription of stock acquisition rights to be granted to its Directors of the Board (here and hereinafter refers to Executive Directors), Executive Officers, and certain Directors of the Board of its subsidiaries, and resolved to solicit those persons to subscribe to the stock acquisition rights, pursuant to Article 236, Paragraph 1 and Article 238, Paragraph 1 of the Corporation Law.

1. Name of offered stock acquisition rights

Kyowa Hakko Kirin stock acquisition rights (stock compensation-type stock options) issued on March 2018

2. Total number of offered stock acquisition rights

1,118 units

The total number shown above is the intended allotted number. If the total number of allotted offered stock acquisition rights decreases due to a shortage of subscriptions, etc., the total number of offered stock acquisition rights issued will be the total number actually allotted.

3. Class and number of shares to be granted upon exercise of offered stock acquisition rights

The class of shares to be granted upon exercise of the offered stock acquisition rights shall be shares of common stock. The number of shares to be granted upon exercise of each offered stock acquisition right (hereinafter the “Number of Granted Shares”) shall be 100 shares.

Notwithstanding the foregoing, in the event that the Company carries out a stock split (including any allotment of common stock of the Company without contribution; the same shall apply hereinafter in relation to stock splits) or a consolidation of the common stock, the Number of Granted Shares shall be adjusted according to the following formula. Any fraction less than one share resulting from this adjustment shall be rounded down.

$$\text{Number of Granted Shares after Adjustment} = \text{Number of Granted Shares before Adjustment} \times \text{Ratio of Stock Split or Consolidation}$$

In addition, the Number of Granted Shares shall be adjusted to an extent reasonable in the unavoidable event where an adjustment of the Number of Granted Shares is required.

4. Amount of assets to be contributed upon exercise of offered stock acquisition rights

The amount of assets to be contributed upon exercise of each offered stock acquisition right shall be the amount obtained by multiplying ¥1, which is the exercise price per one (1) share to be granted upon exercise of offered stock acquisition rights, by the Number of Granted Shares.

5. Exercise period of offered stock acquisition rights

The exercise period is from March 27, 2021 to March 25, 2024

6. Matters concerning the amount of increase in stated capital and legal capital surplus resulting from issuance of shares upon exercise of offered stock acquisition rights

- 1) The amount of increase in stated capital resulting from the issuance of shares upon exercise of the offered stock acquisition rights shall be one-half of the maximum amount of increase in capital stock as calculated pursuant to Article 17, Paragraph 1 of the Corporate Accounting Rules. Any fraction of less than ¥1 shall be rounded up to the nearest yen.
- 2) The amount of increase in legal capital surplus resulting from the issuance of shares upon exercise of offered stock acquisition rights shall be the maximum amount of increase in stated capital as provided in 1) above less the amount of increase in stated capital as determined in 1) above.

7. Restrictions on the acquisition of offered stock acquisition rights through transfer

The acquisition of the offered stock acquisition rights through transfer shall require approval by resolution of the Board of Directors of the Company.

8. Other terms of exercise of offered stock acquisition rights

Partial exercise of one (1) stock acquisition right is not permitted.

9. Amount to be paid for offered stock acquisition rights

No payment shall be required in exchange for offered stock acquisition rights

10. Date of allotment of offered stock acquisition rights

March 26, 2018

11. Place at which requests to exercise offered stock acquisition rights shall be lodged

Corporate Secretariat Group, General Affairs Department of the Company (or such other department as may hold such responsibility from time to time)

12. Bank handling payments for the exercise of offered stock acquisition rights

Head Office of the Mizuho Bank, Ltd. (or such successor bank or branch office as may assume such responsibility from time to time)

13. Persons to whom offered stock acquisition rights are to be allocated, the number of such persons, and the number of offered stock acquisition rights to be allotted

351 units are to be allocated to 4 Directors of the Board of the Company, 664 units are to be allocated to 19 Executive Officers of the Company, and 103 units are to be allocated to three 3 Directors of the Board of the Company's subsidiaries.

No decisions have been taken on matters concerning: Acquisition of offered stock acquisition rights; Handling of stock acquisition rights at the time of an organizational restructuring; and Handling in the event of the issuance of stock acquisition rights securities.

End