November 22, 2024

To whom it may concern

Company Name: KIRIN HOLDINGS COMPANY, LIMITED
Name and Title of Representative: Takeshi Minakata, President & COO
Code Number: 2503 (Tokyo Stock Exchange, Prime Section)
Head Office:
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Name and Title of Contact Person:
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Kyowa Hakko Bio to Transfer Part of its Business and Recognize Business Structure Improvement Expenses

Kirin Holdings Company, Limited (President and COO: Takeshi Minakata; hereinafter "Kirin") and Kyowa Hakko Bio Co., Ltd. (President and Representative Director: Koji Fukada; hereinafter "Kyowa Hakko Bio") have decided to carveout Kyowa Hakko Bio's amino acid and Human Milk Oligosaccharide businesses (hereinafter "certain businesses") to a new company and transfer it to a special purpose company, a subsidiary of Meihua Holdings Group Co. (hereinafter "MEIHUA"), a leading bio-manufacturing company in China, and today signed a contract regarding the business transfer. Kirin also announces that it expects to incur business structure improvement expenses as a result of the business transfer.

1. Reason for business transfer

Kirin and Kyowa Hakko Bio have been considering radical structural reforms with all options in mind, taking into consideration the medium- to long-term profitability prospects of the amino acid market and their own organizational capabilities (manufacturing and sales). We have determined that transferring Kyowa Hakko Bio's certain businesses to MEIHUA, which possesses advanced production quality technology, is the best way to ensure the continued delivery of high-quality products to our customers, and today we have agreed to conclude a transfer agreement.

The completion of this business transfer is subject to the completion of pharmaceutical registration and regulatory approval in each country, and these procedures are expected to be completed in the fourth quarter of 2025.

The value of this business transfer to MEIHUA is approximately 10.5 billion yen, which will be paid in cash. After the completion of this business transfer, Kyowa Hakko Bio will focus on the specialty materials business, including Citicoline. Kirin will continue to pursue further growth through the implementation of business structure reforms, including this business transfer, and the creation of new value.

2. Overview of Kyowa Hakko Bio's Business

(1)	Company Name and Business Name	Kyowa Hakko Bio's Amino Acid and Human Milk Oligosaccharide businesses
(2)	Head Office	Nakano Central Park South, 4-10-2 Nakano, Nakano-ku, Tokyo
(3)	Representative	President and Representative Director Koji Fukada

(4)	Description of Business	Manufacture and sale of pharmaceutical raw materials, various amino acids, and healthcare materials	
(5)	Capital	10 billion yen	
(6)	Major shareholders and shareholding ratios	Kirin Holdings Company, Limited (100%)	
(7)	Founded	October 1, 2008	
(8)	Listed companies and Relationship with the Company	Capital Relationship	A wholly owned subsidiary of Kirin Holdings Company, Limited
		Personal Relationship	There is a personnel relationship, such as the dispatch of directors to the company in question.
		Business Relationship	The company conducts some of its health food business with the company in question.
(9)	Performance in the last Fiscal year		
Consolidated fiscal year		Year ending December 31, 2023	
Revenue		24.0 billion yen	

The company is a private entity, and due to confidentiality agreements with the counterparties, financial information and other details will not be disclosed.

3. Overview of Meihua Holdings Group Co.

(1)	Company name	Meihua Holdings Group Co.	
(2)	Head Office	No.66 Huaxiang Road, Economic and Technical Development Area, Langfang City, Hebei Province 065001, China	
(3)	Representative	Chairman AiJun Wang	
(4)	Description of Business	Manufacture and sales of amino acids, seasonings and other products	
(5)	Founded	2009	
(6)	Listed companies and Relationship with the Company	Capital Relationship	There is nothing to report.
		Personal Relationship	There is nothing to report.
		Business Relationship	There is nothing to report.
		Situation Regarding Related parties	MEIHUA is not a related party of Kirin. There are also no persons or affiliates of MEIHUA that are related parties of Kirin

Capital, net assets, and total assets are not disclosed due to lack of consent from the counterparty of the transfer.

*: There will be transferred to the above MEIHUA's special purpose company (Company name: Plum Biotechnology Group Pte. Ltd., Location: 600 North Bridge Road #12-10 Parkview Square Singapore). Other details are undecided currently.

4. Schedule

(1)	Date of Decision	November 22, 2024
(2)	Date of Contract	November 22, 2024
(3)	Business transfer date	Fourth quarter of 2025 (planned)

5. Outlook

In connection with the above business transfer, a loss on transfer and one-time expenses of approximately 29.0 billion yen will be recognized as other operating expenses, etc. in the fourth quarter of the fiscal year ending December 31, 2024. This amount is an estimate at the present time and may change.

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