

FOR IMMEDIATE RELEASE

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**Notice Regarding Allotment of Share Acquisition Rights
(Share Remuneration-type Stock Options)**

Tokyo, March 20, 2019 – Kyowa Hakko Kirin (Headquarters: Chiyoda-ku, Tokyo; President and CEO: Masashi Miyamoto; hereinafter, the “Company”) gives notice that in accordance with a resolution adopted at the 96th 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 share 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 share acquisition rights, pursuant to Article 236, Paragraph 1 and Article 238, Paragraph 1 of the Corporation Law.

1. Name of offered share acquisition rights

Kyowa Hakko Kirin share acquisition rights (share remuneration-type stock options) issued on March 2019

2. Total number of offered share acquisition rights

1,005 units

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

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

The class of shares to be granted upon exercise of the offered share acquisition rights shall be shares of common share. The number of shares to be granted upon exercise of each offered share 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 share acquisition rights

The amount of assets to be contributed upon exercise of each offered share 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 share acquisition rights, by the Number of Granted Shares.

5. Exercise period of offered share acquisition rights

The exercise period is from March 23, 2022 to March 21, 2025

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

- 1) The amount of increase in stated capital resulting from the issuance of shares upon exercise of the offered share 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 share 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 share acquisition rights through transfer

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

8. Other terms of exercise of offered share acquisition rights

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

9. Amount to be paid for offered share acquisition rights

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

10. Date of allotment of offered share acquisition rights

March 22, 2019

11. Place at which requests to exercise offered share 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 share acquisition rights

Head Office of Sumitomo Mitsui Trust Bank, Limited (or such successor bank or branch office as may assume such responsibility from time to time)

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

359 units are to be allocated to 4 Directors of the Board of the Company, 546 units are to be allocated to 16 Executive Officers of the Company, and 100 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 share acquisition rights; Handling of share acquisition rights at the time of an organizational restructuring; and Handling in the event of the issuance of share acquisition rights securities.

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