

## FOR IMMEDIATE RELEASE

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### Notice Regarding Disposal of Treasury Shares Used for Restricted Share-Based Remuneration

**Tokyo, March 24, 2021** – Kyowa Kirin Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; President and CEO: Masashi Miyamoto; hereinafter, the “Company”) hereby announces that, at a meeting of the Board of Directors held today, it was resolved to dispose of treasury shares used for restricted share-based remuneration (hereinafter, the “Disposal of Treasury Shares”). The details are as follows.

#### 1. Overview of the disposal

(1) Payment date	April 13, 2021
(2) Class and number of shares to be disposed of	Ordinary shares of the Company, 61,961 shares
(3) Disposal price	¥3,145 per share
(4) Total disposal amount	¥194,867,345
(5) Planned allottees	Executive Directors of the Board of the Company: Three (3) persons, 20,364 shares Executive Officers of the Company: 17 persons, 41,597 shares
(6) Other	The Company has submitted a Securities Registration Statement based on the Financial Instruments and Exchange Act for the Disposal of Treasury Shares.

#### 2. Purposes and reasons for the disposal

At the Company’s 97th Ordinary General Meeting of Shareholders held on March 19, 2020, it was approved to introduce a share-based remuneration plan (hereinafter, the “Plan”) for granting restricted shares (hereinafter, the “Restricted Shares”) to executive Directors of the Board of the Company, with the objectives of having executive Directors of the Board of the Company share in the benefits and risks of share price fluctuations with the shareholders, and providing greater incentive to the executive Directors of the Board of the Company to elevate the share price and boost corporate value. Based on the Plan, it was also approved at the same Meeting that the maximum amount of monetary remuneration receivables to be provided to the executive Directors of the Board of the Company as remuneration, etc. linked to the Restricted Shares is set at 155 million yen per year, the maximum total number of the Restricted Shares allotted to executive Directors of the Board of the Company in each fiscal year shall be 200,000 shares, the transfer restriction period for the Restricted Shares shall be a period, determined by the Board of Directors of the Company in advance, that is not shorter than three (3) years and not longer than five (5) years, etc.

On this day, for the restricted share-based remuneration of executive Directors of the Board and Executive Officers of the Company during the period from the Company’s 98th Ordinary General Meeting of Shareholders to the Company’s 99th Ordinary General Meeting of Shareholders that is

scheduled to be held in March 2021, the Board of Directors of the Company resolved to provide a total of ¥194,867,345 in monetary remuneration receivables and allot 61,961 ordinary shares of the Company as specified Restricted Shares to three (3) executive Directors of the Board and 17 Executive Officers of the Company who are scheduled to receive the allotments (hereinafter, the "Allottees") upon the Company receiving all such monetary remuneration receivables in the form of contribution in kind from the Allottees. The Company determines the amount of monetary remuneration receivables for each Allottee based on comprehensive considerations of various factors including the contributions made by each Allottee to the Company. Also, the monetary remuneration receivables shall be provided to an Allottee on the condition that the Allottee enters into an agreement with the Company on allotment of the Restricted Shares (hereinafter, the "Allotment Agreement") that follows the summary of the terms and conditions below.

To ensure that the Allottees share in the benefits and risks of share price fluctuations with the shareholders and provide the Allottees with greater incentive to elevate the share price and boost corporate value, which are the objectives of introducing the Plan, the transfer restriction period is three (3) years.

### **3. Overview of the Allotment Agreement**

#### **(1) Transfer restriction period**

April 13, 2021 to April 12, 2024

During the transfer restriction period defined above (hereinafter, the "Restriction Period"), an Allottee who receives an allotment of the Restricted Shares may not transfer, create a pledge, create a transfer security interest, make a gift inter vivos, bequeath or otherwise do any act of disposing of such Restricted Shares allotted to that Allottee (hereinafter, the "Allotted Shares") to a third party (such restrictions hereinafter, the "Transfer Restrictions").

#### **(2) Acquisition of the Restricted Shares without compensation**

If any Allottee retires from all of the positions of Director of the Board and Executive Officer of the Company and its subsidiaries during the period between the commencement date of the Restriction Period and the day before the Ordinary General Meeting of Shareholders of the Company first held thereafter, the Company shall automatically acquire the Allotted Shares without compensation upon the retirement of the Allottee, unless there is a reason the Board of Directors of the Company deems justifiable.

In addition, in the event that there are any Allotted Shares for which the Transfer Restrictions have not been lifted based on the provisions for the lifting of the Transfer Restrictions in (3) below at the expiry of the Restriction Period (hereinafter, the "Expiration of Restriction Period"), the Company shall automatically acquire the Allotted Shares without compensation as of the time immediately after the Expiration of Restriction Period.

#### **(3) Lifting of Transfer Restrictions**

On the condition that the Allottee has remained in the position of Director of the Board or Executive Officer of the Company or one of its subsidiaries during the period between the commencement date of the Restriction Period and the day of the Ordinary General Meeting of Shareholders of the Company first held thereafter, the Company shall lift the Transfer Restrictions for all of the Allotted Shares held by the Allottee at that point in time upon the Expiration of Restriction Period. However, if the Allottee retires from all of the positions of Director of the Board and Executive Officer of the Company and its subsidiaries before the Expiration of Restriction Period due to a reason the Board of Directors of the Company deems justifiable, the Company shall lift the Transfer Restrictions for a calculated number of Allotted Shares upon the Expiration of Restriction Period. The number of Allotted Shares for which the Transfer Restrictions are lifted shall be calculated by dividing by 12 the number of months from April 2021 to the month including the day on which the Allottee retires from all of the positions of Director of the Board and Executive Officer of the Company and its

subsidiaries (however, the number is set as one (1) if the result of the calculation is greater than one (1)), and then multiplying that number by the number of Allotted Shares held by the Allottee at that point in time (however, any fraction less than one (1) share resulting from this calculation shall be rounded down).

(4) Provision on the management of the shares

The Allottee shall complete the opening of an account with SMBC Nikko Securities Inc. according to the method specified by the Company for the statement and recording of the Allotted Shares, and shall hold and maintain the Allotted Shares in this account until the Transfer Restrictions are lifted.

(5) Treatment in the event of reorganization, etc.

If, during the Restriction Period, proposals relating to a merger agreement in which the Company is the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall, by resolution of the Board of Directors of the Company, lift the Transfer Restrictions for a calculated number of Allotted Shares immediately prior to the business day before the day on which the reorganization, etc. becomes effective. The number of Allotted Shares for which the Transfer Restrictions are lifted shall be calculated by dividing by 12 the number of months from April 2021 to the month including the day on which the proposal is approved (however, the number is set as one (1) if the result of the calculation is greater than one (1)), and then multiplying that number by the number of Allotted Shares held by the Allottee as of the day on which the proposal is approved (however, any fraction less than one (1) share resulting from this calculation shall be rounded down).

In such case, the Company shall automatically acquire, without compensation, all Allotted Shares which still remain subject to the Transfer Restrictions as of the date indicated above, on the business day before the day on which the reorganization, etc. becomes effective.

#### **4. Basis of calculation and details of the paid-in amount**

To eliminate any arbitrariness in the disposal price per share for the Disposal of Treasury Shares, the closing price of ¥3,145 of the Company's ordinary shares on the Tokyo Stock Exchange on March 23, 2021, the business day immediately before the date of resolution by the Board of Directors is used. This is the market price on the day immediately before the date of resolution by the Board of Directors, and the Company deems it to be a reasonable and not particularly favorable price.

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