

FOR IMMEDIATE RELEASE

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**Notice Regarding Disposal of Treasury Shares
Used for Restricted Share-Based Remuneration and Performance-
Linked Share-Based Remuneration**

Tokyo, March 22, 2024 – 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 and performance-linked share-based remuneration (hereinafter, the “Disposal of Treasury Shares”). The details are as follows.

1. Overview of the disposal

(1) Payment date	April 11, 2024
(2) Class and number of shares to be disposed of	Ordinary shares of the Company, 84,518 shares
(3) Disposal price	JPY 2,845 per share
(4) Total disposal amount	JPY 240,453,710
(5) Planned allottees	(Disposal used for restricted share-based remuneration) Executive Directors of the Board of the Company: Three (3) persons, 21,737 shares Executive Officers of the Company: 17 persons, 46,662 shares (Disposal used for performance-linked share-based remuneration) Executive Directors of the Board of the Company: Three (3) persons, 8,744 shares Executive Officers of the Company: 13 persons, 7,375 shares
(6) Other	The treasury shares shall be disposed of on the condition that a Securities Registration Statement based on the Financial Instruments and Exchange Act becomes effective.

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 “Restricted Share-Based Remuneration Plan”) for delivering 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 enhancing their contribution to increase of the share price and corporate value more than ever before. In addition, at the Company’s 98th

Ordinary General Meeting of Shareholders held on March 24, 2021, it was approved to introduce the performance-linked share-based remuneration plan with the aim to further clarify the linkage of the remuneration for the Company's executive Directors of the Board with the Company's business performance and with the value of shares of the Company, and thereby to give incentives to the Directors of the Board to strive for sustainable growth of corporate value, and to facilitate their sense of sharing value with shareholders.

(1) Disposal used for restricted share-based remuneration

Based on the Restricted Share-Based Remuneration Plan, it was also approved at the Company's 97th Ordinary General Meeting of Shareholders held on March 19, 2020, that the maximum total 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 JPY 155 million 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 to executive Directors of the Board and Executive Officers of the Company during the period from the Company's 101st Ordinary General Meeting of Shareholders to the Company's 102nd Ordinary General Meeting of Shareholders that is scheduled to be held in March 2025, the Board of Directors of the Company resolved to provide a total of JPY 194,595,155 in monetary remuneration receivables and allot 68,399 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 each Allottee enters into an agreement with the Company on allotment of the restricted shares (hereinafter, the "Allotment Agreement") that contains 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 enhance their contribution to increase of the share price and corporate value more, which are the objectives of introducing the plan, the transfer restriction period is three (3) years.

[Overview of the Allotment Agreement]

(i) Transfer restriction period

From April 11, 2024 to April 10, 2027

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").

(ii) 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 (iii) below at the expiry of the Restricted 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.

(iii) Lifting of Transfer Restrictions

On the condition that the Allottee has remained in the position of Director of the Board and Executive Officer of the Company and 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 2024 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 at 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).

(iv) Provision on 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.

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

If, during the Restriction Period, proposals relating to a merger agreement in which the Company becomes a 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 2024 to the month including the day on which the proposal is approved (however, the number is set at 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, based on the provision above.

(2) Disposal used for performance-linked share-based remuneration

Based on the performance-linked share-based remuneration plan, at the Company’s 98th Ordinary General Meeting of Shareholders held on March 24, 2021, it was approved that the maximum remuneration amount to be provided to the executive Directors of the Board of the Company related

to the performance-linked share-based remuneration plan under which a number of ordinary shares of the Company (hereinafter, the “Company’s Shares”) and an amount of cash calculated according to each Director of the Board’s individual position and degree of achievement of performance targets are delivered and provided after the fact is set at JPY 300 million per applicable period (as defined B below), and that the maximum total number of the Company’s Shares allotted per each applicable period is set at 200,000 shares.

On this day, as for the Company’s Shares used for performance-linked share-based remuneration during the period from the conclusion of the Company’s 98th Ordinary General Meeting of Shareholders to the Company’s 99th Ordinary General Meeting of Shareholders, the Board of Directors of the Company resolved to provide a total of JPY 45,858,555 in monetary remuneration receivables and allot 16,119 shares of the Company Shares as performance-linked share-based remuneration to three (3) executive Directors of the Board, and 13 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.

A Overview of performance-linked share-based remuneration plan

Under the performance-linked share-based remuneration plan, after the period of performance evaluation that consists of three (3) consecutive fiscal years starting from each Applicable Period (hereinafter, the “Performance Evaluation Period”) elapses, the Company provides a number of the Company’s Shares and an amount of cash calculated in accordance with each Director of the Board’s degree of achievement of performance targets during the Performance Evaluation Period as performance-linked remuneration. Consequently, the monetary remuneration receivables and cash for allocation of the Company’s Shares to Allottees are provided upon the termination of the Performance Evaluation Period in principle.

B Applicable Period and Performance Evaluation Period

Applicable Period refers to the period from the conclusion of an Ordinary General Meeting of Shareholders of the Company to the Company’s Ordinary General Meeting of Shareholders to be held in the following year.

The Applicable Period this time is the period from the conclusion of the Company’s 98th Ordinary General Meeting of Shareholders to the Company’s 99th Ordinary General Meeting of Shareholders, and the Performance Evaluation Period this time is from the fiscal year ending on December 31, 2021 to the fiscal year ending on December 31, 2023.

C Calculation method for the number of the Company’s Shares to be delivered and the amount of cash to be provided to Allottees

The Company uses performance targets for the performance-linked share-based remuneration plan and calculates the number of shares to be delivered and the amount of cash to be provided based on the formulas stated below in accordance with each achievement rate after the termination of each Performance Evaluation Period to deliver and provide them.

If the number of Company’s Shares to be delivered and the amount of cash to be provided as calculated using the formulas below are likely to exceed the forementioned maximum on the total amount of monetary remuneration receivables and cash or the maximum on the total number of the Company’s Shares, the number of the Company’s Shares to be delivered or the amount of cash to be provided shall be reduced through proportional distribution or other reasonable methods determined by the Board of Directors in a range that does not exceed the maximums on the total amount of monetary remuneration receivables and cash and the total number of the Company’s Shares.

[Calculation formula for the final number of shares to be delivered*]

Reference number of shares to be delivered (i) x Degree of achievement of performance targets (ii) x 50%

* This refers to the number of shares that will be ultimately delivered to Allottees after the end of the Performance Evaluation Period. Fractional shares are rounded up to one share.

[Calculation formula for the amount of cash to be provided]

{Reference number of shares to be delivered (i) x Degree of achievement of performance targets (ii) – Final number of shares to be provided} x Share price at time of delivery (iii)

(i) Reference number of shares to be delivered

The reference number of shares to be delivered is calculated using the formula stated below.

Reference number of shares to be delivered	=	Reference amount of share-based remuneration based on Allottee's position* (a)	
		Reference share price (b)	

* This refers to the share-based remuneration reference amount prescribed for each Allottee's position.

(a) Reference amount of share-based remuneration based on Allottee's position

For the reference amount of share-based remuneration based on Allottees' position used in the calculation method for the final number of shares to be delivered to Allottees, a specific amount for each position shall be decided by the Board of Directors of the Company.

(b) Reference share price

The reference share price is the closing price of the Company's ordinary trading of the Company's Shares on the Tokyo Stock Exchange on the business day immediately before the date of resolution by the Board of Directors of the Company at the start of the Applicable Period (if there is no closing price on that date, the closing price on the closest preceding trading day).

(ii) Degree of achievement of performance targets

The degree of achievement of performance targets is calculated within the range of 0% to 150% using figures determined at the end of each Performance Evaluation Period. For the initial Performance Evaluation Period, the evaluation indicators are ROE which is a benchmark under the business plan, CAGR, and Core operating profit ratio.

(iii) Share price at time of delivery

The share price at time of delivery is the closing price of the Company's ordinary trading of the Company's Shares on the Tokyo Stock Exchange on the business day immediately before the date of the resolution by the Board of Directors of the Company that decides the share issuance or Disposal of Treasury Shares for the relevant delivery of the Company's Shares, which is to be held within three (3) months after the end of the Performance Evaluation Period (if there is no closing price on that date, the closing price on the closest preceding trading day).

D Condition for provision

If all of the conditions for provision set forth below are satisfied as of the end of Performance Evaluation Period, the Company will provide monetary remuneration receivables (the amount of monetary remuneration receivables is determined by multiplying the final number of shares to be delivered by the share price at time of delivery as set forth in C above) to each Allottee, and a delivery of the final number of the Company's Shares to be delivered as set forth in C above and a provision of the amount of the cash to be provided as set forth in C above will be conducted by an in-kind contribution involving the full amount of the monetary remuneration receivables.

(a) The Allottee has been continuously in the position of the Allottee of the Company for his or her term of office (all of his or her term of office if the Allottee was reelected during the Applicable

Period and Performance Evaluation Period).

(b) The Allottee has not committed any improper conducts specified by the Company's Board of Directors.

(c) The Allottee satisfies other conditions specified by the Company's Board of Directors which are necessary to attain the objectives of the performance-linked share-based remuneration plan.

However, notwithstanding the condition of (a) above, if the Allottee retires from the position during the Performance Evaluation Period due to unavoidable circumstances such as death or illness, the Company may provide cash reasonably calculated by the Company's Board of Directors as an amount equivalent in place of the delivery of the Company's Shares and the provision of cash based on the performance-linked share-based remuneration plan.

E Treatment in the event of reorganization, etc.

If, during the Performance Evaluation Period, a matter of a merger agreement whereby the Company becomes a dissolving company; a share exchange agreement or a share transfer plan whereby the Company becomes a wholly owned subsidiary of another company; an incorporation-type company split plan or an absorption-type company split agreement whereby the Company is the split company (limited to a split-off-type company split); share consolidation whereby the Company becomes subject to control by specific shareholders; acquisition of shares subject to class-wide call; or, a demand for a cash-out (hereinafter, the "Reorganization") has been granted approval (limited to the case where the effective date of the Reorganization is scheduled prior to the date of delivery of the Company's Shares or the date of provision of cash based on the performance-linked share-based remuneration plan) by a General Meeting of Shareholders of the company (or the Company's Board of Directors in cases where approval by a General Meeting of Shareholders of the Company is not required with respect to the Reorganization), the Company may provide, in place of delivering the Company's Shares and providing cash within the maximums on the total amount of monetary remunerations receivables and cash and the total number of the Company's Shares in (2) above, cash reasonably calculated by the Company's Board of Directors as an amount equivalent to the Company's Shares and cash prior to the effective date of the Reorganization.

3. 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 JPY 2,845 of the Company's ordinary shares on the Tokyo Stock Exchange on March 21, 2024, 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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