

October 31, 2017

To Whom It May Concern:

Company Name: KIRIN HOLDINGS COMPANY, LIMITED  
Name and Title of Representative: Yoshinori Isozaki, President & CEO  
Code Number: 2503  
Head Office: 4-10-2, Nakano, Nakano-ku, Tokyo 164-0001, Japan  
Name and Title of Contact Person:  
Tetsuya Fujiwara, Director of Group Corporate Communications  
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**Notice Regarding the Termination of the Shareholders' Agreement  
Governing the Joint Venture with Amgen Inc.**

Kirin Holdings Company, Limited (hereinafter, "the Company") hereby announces that the termination of the shareholders' agreement governing the joint venture between the Company and Amgen Inc. (hereinafter, "Amgen") for research and development of pharmaceutical products, etc. (hereinafter, "the Agreement") was resolved at the Board meeting held on August 3, 2017, and agreed upon with Amgen.

**1. Reasons for Termination of the Agreement**

In 1984, the Company and Amgen executed a shareholders agreement governing the establishment of a U.S. company aiming at research and development of pharmaceutical products, and founded Kirin-Amgen, Inc. as a 50:50 joint venture. From the establishment until now, Kirin Group has worked together with Kirin-Amgen, Inc. to develop core products of Pharmaceutical Business, including *ESPO*<sup>®</sup>, *NESP*<sup>®</sup>, *GRAN*<sup>®</sup>, *G-Lasta*<sup>®</sup>, *Romiplate*<sup>®</sup>/*Nplate*<sup>®</sup> and *LUMICEF*<sup>®</sup> and the Agreement has achieved great success.

In the meantime, the environment surrounding Kirin Group and Amgen has changed, while Kyowa Hakko Kirin Co., Ltd. was established in 2008 as a strategic alliance between the Company and former Kyowa Hakko Kogyo Co., Ltd. Now both parties to the joint venture share a common perception that Kirin-Amgen, Inc. has almost fully completed its expected role, and agreed on the termination of the Agreement and the redemption of the Company's ownership stake.

**2. Details of Termination of the Agreement and the Redemption of the Stake**

(1) The Agreement, and Terms and Effect of Termination of the Agreement

Kirin-Amgen, Inc. owns all rights to pharmaceutical products, which Kirin Group and Amgen manufacture and distribute within their own territories. With regard to the territories, in principle, Kirin Group is mainly in charge of Japan and Asia, and Amgen is mainly in charge of the U.S. and Europe. As for Kirin Group, Kyowa Hakko Kirin Co., Ltd., a group company in pharmaceutical business, was granted a license for

development, manufacturing and distribution of the products.

The termination of the Agreement will be completed when Kirin-Amgen, Inc. pays \$780 Million (¥85.8 Billion, \$1=¥110) to redeem the Company's 50% ownership stake, thus becoming a 100% subsidiary of Amgen. Consequently, Kirin-Amgen, Inc. will be excluded from the Company's consolidated financial statements under the equity method. However, Kyowa Hakko Kirin Co., Ltd. will retain all license contractual rights and obligations, including rights granted to Kyowa Hakko Kirin Co., Ltd. to develop, manufacture, and distribute pharmaceutical products.

The Company regards Pharmaceuticals and Bio-chemicals Businesses as a core business of Kirin Group, similarly to Alcoholic Beverages Business and Non-Alcoholic Beverages Business. The termination of the Agreement will not affect the positioning of Pharmaceuticals and Bio-chemicals Business in Kirin Group as well as the relationship with Kyowa Hakko Kirin Co., Ltd.

## (2) Overview of Joint Venture Company

(1) Corporate Name	KIRIN-AMGEN, INC.
(2) Location	One Amgen Center Drive, Thousand Oaks, California
(3) Name & Title of Representative	William Erb, President
(4) Business Activities	Research, development, and licensing of pharmaceuticals
(5) Capital (including contributed capital)	26 million US dollars
(6) Year Established	1984
(7) Account Closing Month	December
(8) Net Assets	999 million US dollars
(9) Total Assets	1,084 million US dollars
(10) Shareholding Ratio	Amgen Inc.: 50%, Kirin Holdings Company, Limited: 50%

## 3. Overview of Joint Venture Partner

(1) Corporate Name	Amgen Inc.	
(2) Location	One Amgen Center Drive, Thousand Oaks, California	
(3) Name & Title of Representative	Robert A. Bradway, Chairman and CEO	
(4) Business Activities	Manufacturing and distribution of pharmaceutical products	
(5) Capital	30,784 million US dollars	
(6) Year Established	1980	
(7) Major Shareholders and Shareholding Ratio	Fidelity Management & Research Company 7.65% Capital Research Global Investors (US) 7.37% The Vanguard Group, Inc. 7.15%	
(8) Relationship between the Company and Amgen	Capital Relationship	There is no capital relationship which should be noted between the Company and Amgen.

	Personal Relationship	There is no personal relationship which should be noted between the Company and Amgen.
	Business Relationship	There is no business relationship which should be noted between the Company and Amgen.
	Situation regarding Related Parties under Japanese ordinance	Under the Japanese ordinance, Amgen is not a related party of the Company, and there are no persons or affiliates of Amgen that are related parties of the Company.

(9) Consolidated business performance and financial position of Amgen for the past 3 years (in US dollars)

Accounting period	FY2014	FY2015	FY2016
Total stockholders' equity	25,778 million	28,083 million	29,875 million
Total assets	69,009 million	71,449 million	77,626 million
Total revenues	20,063 million	21,662 million	22,991 million
Operating income	6,191 million	8,470 million	9,794 million
Income before income taxes	5,585 million	7,978 million	9,163 million
Net income	5,158 million	6,939 million	7,722 million
Diluted earnings per share	6.70	9.06	10.24

#### 4. Schedule

(1) Resolution at Board meeting	August 3, 2017
(2) Signing the termination of the Agreement	October 31, 2017

#### 5. Future Prospects

The transaction will be effective upon the fulfillment or waiver of certain conditions contained in the agreement, including the receipt of all necessary approvals from governmental authorities. Although we expect a decrease in equity in earnings/losses of affiliates and recognition of special income by the transaction, since the transfer of the shares should be executed after finishing advance clearance procedures in all relevant countries, the fiscal year in which the share transfer will have financial impact is not yet determined.

The financial impact will be insignificant.

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