

Company name: KYORIN Holdings, Inc.
Representative: Masahiro Yamashita
Representative Director, President
(Securities Code: 4569, TSE 1st Sec.)

**Kyorin Pharmaceutical and R-Pharm Reach Agreement in Russia and neighboring nations for Activities
Related to the Development and Marketing of Imidafenacin**

TOKYO, Japan (October 10, 2014) — The KYORIN Holdings, Inc. subsidiary, KYORIN Pharmaceutical Co., Ltd. (Head office: Tokyo Japan, President: Mitsutomo Miyashita, “Kyorin Pharmaceutical”) and The Group of the Companies R-PHARM (HQ: Moscow, Russia, Chairman of the Board, Founder: Alexey Repik, “R-Pharm”) have reached a basic agreement for activities in Russia and neighboring nations related to the development and marketing of Imidafenacin, a treatment for overactive bladder (OAB) that was discovered and developed by Kyorin Pharmaceutical.

Under the terms of this agreement, Kyorin Pharmaceutical grants R-Pharm exclusive rights to activities related to the development and marketing of Imidafenacin in Russia and neighboring nations.

Imidafenacin is a novel anticholinergic agent that acts as a selective antagonist on M₃ and M₁ muscarinic subtype receptors to improve the urgency of urination, pollakiuria and urge urinary incontinence associated with OAB. Imidafenacin selectively acts on the bladder, and therefore incidence of dry mouth is rather small. In Japan, Kyorin Pharmaceutical and Ono Pharmaceutical Co.,Ltd launched Imidafenacin under the brand names Uritos® 0.1mg tablets and Staybla® 0.1mg tablets respectively in June 2007. An additional dosage form as an Orally Disintegrating (OD) tablet was launched in April 2011.

While Kyorin Pharmaceutical has achieved early market penetration in Japan and contributed to the QOL of patients suffering from symptoms of OAB, it aims to popularize Imidafenacin in the Russian market and promote its global business through this agreement with R-Pharm.

The companies expect the impact that the conclusion of this agreement on consolidated financial forecasts for the fiscal year ending March 31 2015 to be negligible.

About R-Pharm CJSC

Established: August 2001

Chairman of the Board, Founder: Alexey Repik

Sales volume: \$1.5 billion (FY2013)

Employees: 2,800 (FY2013)

R-Pharm is a Russian private hi-tech pharmaceutical company founded in 2001, employs over 2800 highly qualified specialists, has over 40 branches. Turnover reached over \$ 1,5 billion in 2013. R-Pharm operates in Russia and CIS, USA, Germany, Japan, Turkey/MENA and India. The company is involved in R&D, manufacturing, marketing, sales and distribution of innovative pharmaceutical products from a broad number of therapeutic areas in specialty/hospital care. The company has operational GMP compliant manufacturing sites at Yaroslavl and Kostroma region, Novosibirsk, Germany and API Site in Rostov. (www.r-pharm.com.)

About KYORIN Pharmaceutical Co., Ltd

Established: December 1923

President: Mitsutomo Miyashita

Sales volume: ¥97.7 billion (FY2013)

Employees: 1,780 (FY2013)

Overview: Trusted among patients and professionals in the medical industry, KYORIN Pharmaceutical strives to be a company that contributes to the public health and is recognized as a one with social significance by improving its presence in specified therapeutic areas and through global discovery of novel drugs. KYORIN Pharmaceutical uses its franchise customer strategy in focusing on respiratory medicine, otolaryngology, and urology, and concentrates resources on the core areas of respiratory, urological and infectious diseases in developing ethical drugs.

Overactive Bladder (OAB)

Overactive Bladder (OAB) is a urological condition characterized by difficulty in pooling urine in the bladder. Its predominant symptom is an urge to urinate, which is often accompanied by frequent urination and nocturia, and in some cases by urge urinary incontinence. One of the major problems of OAB is the fact that patients refrain from leaving the house due to anxiety about going to the bathroom, cannot get enough sleep at night, or face limitations in their daily activities, which could lead to significantly-reduced quality of life. Anticholinergic agents that show antagonistic effects, mainly on muscarinic receptors, are thought to be effective in treating OAB. However, their continuous use may be limited due to side effects, such as dry mouth, associated with their pharmacological effects.