

July 31, 2018

Whom It May Concern

Company: KYORIN Holdings, Inc.
Representative: Minoru Hogawa
Representative Director, President
(Security Code: 4569, TSE 1st Sec.)
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Changes in Capital Policy and Shareholder Return Policy

We have approved, at a meeting of our Board of Directors held on July 31, 2018, the resolution to change our capital policy and shareholder return policy as follows:

1. Reason and Contents of the Changes in Capital Policy and Shareholder Return Policy

We adopted, in the medium-term business plan “HOPE100-Stage 2- (fiscal 2016 to fiscal 2019)”, as a basic principle of our capital policy, to ensure both growth investment and return to shareholders while maintaining the sound financial base. Also, in the said medium-term business plan, despite the expected decline in profits for certain period due to the patent expiration of our main product, we aimed for “stable dividend” for the return to shareholders on a basis of the present dividend standard considering the perspective of the recovery of the corporate earnings caused by the implementation of our key strategies.

This time, taking into account the situation that the recovery of business performance can be expected to a certain extent though responses to business challenges and also the present financial foundation of our company, we have decided to change our policy to improve the efficiency of capital and the shareholder's value, and, as part of such efforts, to strengthen the return to shareholders. We aim to continue this new shareholder return policy unless there is a special change in the business environment.

Please note that there is no change in our business strategy towards the realization of the medium-term business plan “HOPE100-Stage 2-”, and we will continue to make our best efforts to achieve our target figures in that business plan by investing for continuous growth.

(Before the change)

While maintaining the sound financial base, we adopt the capital policy ensuring both growth investment and stable return to shareholders. As for the return to shareholders, we aim for “stable dividends” on a basis of the present dividend standard.

(After the change)

While maintaining the sound financial base, we aim to improve the capital efficiency through growth investment and returns to shareholders. We will maintain stable dividends taking DOE (Dividend on Equity ratio) into account.

2. Effective Period

Applicable to the fiscal year ended March 31, 2019 and thereafter