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NEWS RELEASE

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**Impact on Kyorin's Financial Performance of
MSD's Decision to Voluntarily Recall Desalex[®] Tablets 5mg
Long-Acting Selective H₁ Receptor Antagonist for Allergic Diseases Treatment**

KYORIN Holdings, Inc. announced today that its subsidiary of KYORIN Pharmaceutical Co., Ltd. (Head office: Chiyoda-ku, Tokyo, President & CEO: Minoru Hogawa, "KYORIN Pharmaceutical") was informed by MSD K.K. ("MSD") of their decision to voluntarily recall (Class II) Desalex[®] Tablets 5mg. MSD is the marketing approval holder for Desalex[®] Tablets 5mg, which is being distributed exclusively by KYORIN Pharmaceutical for the treatment of allergic diseases. Following the decision, KYORIN Pharmaceutical, as the distributor, is initiating the recall of the product as from today (January 7). The Company offers its sincere apologies to patients and healthcare professionals for the anxiety and inconvenience this incident would cause.

The Company is currently reviewing the impact of the recall on its financial performance and shall be announcing it once the review would be completed.

KYORIN Pharmaceutical has been continuously committed to the pharmaceutical companies' mission of the stable supply of the medicinal products to the medical settings and will urge MSD to fulfill their responsibility as the marketing approval holder toward the early resumption of the product supply.

[MSD's Decision of Voluntary Recall]

MSD has decided the voluntary recall (Class II) of Desalex[®] Tablets 5mg because some procedural flaw was found in a storage facility of MSD for the active pharmaceutical ingredient.

[Product Outline]

Generic Name: Desloratadine
Trade Name: Desalex[®] Tablets 5mg
Indications: Allergic rhinitis, urticaria and pruritus associated with skin diseases (eczema, dermatitis, skin pruritus)
Companies: Distributor KYORIN Pharmaceutical Co., Ltd.
Promotion Partner Kaken Pharmaceutical Co., Ltd.
Marketing Approval Holder MSD K.K.
Sales Results: 4.9 Billion Yen (Fiscal Year ended March 2018), 2.8 Billion Yen (1H of Fiscal Year ending March 2019)
Sales Estimate: 8.1 Billion Yen (Fiscal Year ending March 2019)

[Impact on the Company's Financial Performance]

The impact on the Company's financial performance of the product recall is under review, and it shall be announced once the Company would complete the review.

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