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Whom It May Concern

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Construction of the Takaoka New Plant by a Subsidiary Company

KYORIN Pharmaceutical Group Facilities Co., Ltd. (head office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer Michiro Ohnota, “Group Facilities”), which is a subsidiary of KYORIN Holdings, Inc., decided to build the Takaoka New Plant at Takaoka City, Toyama Prefecture where Group Facilities owns a land.

Under the KYORIN Pharmaceutical Group's long-term vision "HOPE100 (FY 2010-2023)", Group Facilities is "building a competitive group production system that supplies high-quality products stably and at low cost" as its strategic priority.

In the medium-term management plan "HOPE100 -Stage 2- (FY 2016-2019)", KYORIN Holdings set forth the priority strategy “Reform cost structure by group optimization” and integrated three factories (Noshiro Plant: Noshiro City, Akita Prefecture, Shiga Plant: Koka City, Shiga Prefecture, Inami Plant: Nanto City, Toyama Prefecture) into Group Facilities in April 2018, and achieved the initial goal of cost reduction by leveling the factory utilization and efficiently utilizing assets.

In the current medium-term management plan "HOPE100 -Stage 3- (FY 2020-2023)", KYORIN Holdings set forth the priority strategy "Improve cost competitiveness", and is working on establishing manufacturing system that realizes stable supply of new drugs and generic drugs and low cost.

Under such circumstances, as the production of drugs increased, it became necessary to strengthen the supply capacity of Group Facilities, so KYORIN Holdings decided to construct the Takaoka Plant.

The Inami Plant, which mainly manufactures generic drugs, will be transferred to the Takaoka Plant because it is difficult to expand facilities and add equipment, and it is aging as a whole.

The Takaoka Plant will have a production capacity of approximately 2 billion tablets, and will be a facility that can further improve GMP (Good Manufacturing Practice). In addition, it will achieve stable supply and low-cost production by saving labor in various operations and improving manufacturing efficiency.

In terms of the environment, Group Facilities will not only design the Takaoka Plant to significantly

reduce CO₂ emissions compared to the current plants, but also promote reducing environmental burden by actively utilizing clean energy such as liquefied natural gas (LNG) and renewable energy such as hydroelectric power generation.

Under the corporate philosophy “KYORIN will continue fulfill its mission of cherishing life and benefiting society by contributing to better health”, KYORIN Group will continue to work on the stable supply of high-quality products.

【Outline of the Takaoka Plant】

Location : IC Park 8, Takaoka-City, Toyama Prefecture
Site Area : 42,457 m²
Building : 3 Floors, Building area about 7,262 m², Total floor area about 21,091 m²
Groundbreaking : August 2022 (Planned)
Completion : October 2023 (Planned)
Operation : April 2024 (Planned)
Investment : About 10 billion yen

(Exterior image of the Takaoka Plant)

