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NEWS RELEASE

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(Securities Code: 4569, TSE 1st Sec.)
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**KYORIN and Otonomy Signed License Agreement
for Novel Candidate Compound for Sensorineural Hearing Loss**

KYORIN Holdings, Inc. today announced that its wholly owned subsidiary, KYORIN Pharmaceutical Co., Ltd. (Head office: Chiyoda-ku, Tokyo, President & CEO: Shigeru Ogihara, "Kyorin") has entered into a license agreement with Otonomy, Inc. (Head office: San Diego, CA, President & CEO: David A. Weber, Ph.D. , "Otonomy") regarding a novel candidate compound for sensorineural hearing loss ("therapeutic agent") synthesized by Kyorin.

Under the terms of the agreement, Kyorin will grant to Otonomy a global exclusive license to develop, manufacture and commercialize the therapeutic agent for the treatment of otic disorders such as hearing loss and receive an upfront payment and success-based development milestone payments. Following the commercial launch of the therapeutic agent, Kyorin will be eligible to receive royalties and sales milestone payments based on net sales of the therapeutic agent. Kyorin reserves a commercialization right of the therapeutic agent in Japan.

This therapeutic agent is expected to help improve hearing function in patients with sensorineural hearing loss by regenerating cochlear hair cells to replace cells damaged due to noise exposure or aging. Otonomy will utilize its proprietary otic drug delivery technology to provide sustained exposure of the agent in the inner ear following a single local administration.

Kyorin is pursuing contribution to health of people around the world by maximizing value of the novel candidate compound discovered in house with rapid global development and by developing original new drugs which meet the needs of the medical needs.

The impact on business performance for the fiscal year ending March 2021 is to be negligible.

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About Otonomy, Inc.

Foundation: 2008
President & CEO: David A. Weber, Ph.D.
Employees: Approx. 49 (as of December 31, 2019)
Overview: Otonomy is a biopharmaceutical company dedicated to the development of innovative therapeutics for neurotology. The company pioneered the application of drug delivery technology to the ear in order to develop products that achieve sustained drug exposure from a single local administration. This approach is covered by a broad patent estate and is being utilized to develop a pipeline of products addressing important unmet medical needs including Ménière's disease, hearing loss, and tinnitus. For additional information, please visit <http://www.otonomy.com/>

About KYORIN Pharmaceutical Co., Ltd.

Foundation: December 1923
President & CEO: Shigeru Ogihara
Annual Sales: JPY 96.336 billion (Fiscal Year ending on March 31, 2020)
Employees: 1,502 (as of March 31, 2020)
Overview: Trusted among patients and professionals in the medical industry, KYORIN Pharmaceutical strives to be the pharmaceutical company recognized as a one with social significance by improving its presence in the specific therapeutic areas and through global discovery of novel drugs. KYORIN Pharmaceutical uses franchise customer strategy where its marketing efforts are focused on respiratory medicine, otolaryngology and urology. In drug discovery, it is deploying 'selection and concentration' and promoting activities aimed at first-in-class drug discovery, such as actively searching for and introducing external drug discovery themes as well as multi-tiered program development.

About Sensorineural Hearing Loss

Sensorineural hearing loss is a common condition caused by damage to the sensory system including cochlear hair cells and auditory nerve fibers in the inner ear, which negatively impacts socialization and has been demonstrated to lead to dementia and depression. It is expected that various factors such as aging, noise exposure, and treatment with ototoxic medications cause damage to hair cells and results in hearing loss. According to the statistics of the World Health Organization (WHO), the number of patients with hearing loss in the world is around 470 million including 34 million children, and this population is expected to grow to 900 million in the year 2050. The estimation of the US National Institutes of Health (NIH) says that about 90% of hearing loss is caused by sensorineural hearing loss. As of today, there is no cure for sensorineural hearing loss and there are no drugs approved for its treatment.