



December 26, 2016

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

### Change in Consolidated Subsidiaries (Share Transfer)

KYORIN Holdings, Inc. (“KYORIN”) announced that at an extraordinary meeting of its Board of Directors held today, it resolved to transfer all the shares of Dr. Program Co., Ltd. (Head office: Shibuya-ku, Tokyo; President: Hiroshige Shiba), a wholly owned subsidiary of KYORIN, to Taisho Pharmaceutical Co., Ltd. (“Taisho Pharmaceutical”) (Head office: Toshima-ku, Tokyo; CEO: Shigeru Uehara). Details are as follows.

#### 1. Reason of the share transfer

To realize its corporate philosophy, the KYORIN Group is working to expand its ethical drug business and at the same time is developing its healthcare business (business other than the ethical drug business) to respond to diverse healthcare needs and to complement growth in the ethical drug business under its long-term vision, HOPE100 (which concludes in 2023). The Group aims to evolve into a company that will promote healthy lifestyles and to achieve sustainable, healthy growth.

In its new medium-term management plan, HOPE100: Stage 2 (from FY2016 to FY2019), which started this fiscal year, the Group is pursuing a strategy to create a new core business by developing business related to environmental hygiene in the healthcare business and strengthening collaboration with the existing business. In this situation, we have determined that Dr. Program’s skincare business will develop more quickly under a company that excels in the B to C business. We have thus decided to transfer all our shares in Dr. Program to Taisho Pharmaceutical.

The Group will focus on operations associated with environmental hygiene and over-the-counter drugs in the healthcare business, aiming to create a new core business.

## 2. Profile of the subsidiary (Dr. Program Co., Ltd.)

(1)	Name	Dr. Program Co., Ltd.		
(2)	Address	Takara Building 7F, 1-34-14 Hatagaya, Shibuya-ku, Tokyo		
(3)	Title and name of representative	Representative Director and President, Hiroshige Shiba		
(4)	Business	Development and sale of cosmetics, pharmaceuticals, and raw materials of cosmetics		
(5)	Paid-in capital	251 million yen		
(6)	Number of employees	38 (as of March 31, 2016)		
(7)	Established	March 2001		
(8)	Major shareholder and shareholding	KYORIN Holdings, Inc., 100%		
(9)	Relationships with KYORIN	Capital	A wholly owned subsidiary of KYORIN	
		Human resources	Employees of KYORIN and a subsidiary are dispatched to the subsidiary as officers and auditors.	
		Business	KYORIN receives administration fees from the subsidiary.	
(10)	Operating results and financial position of the subsidiary in the past three years			
	Fiscal year	Ended March 2014	Ended March 2015	Ended March 2016
	Net assets	¥197 million	¥178 million	¥134 million
	Total assets	¥775 million	¥693 million	¥701 million
	Sales	¥1,773 million	¥1,398 million	¥1,285 million
	Operating profit	¥161 million	-¥20 million	-¥77 million
	Recurring profit	¥170 million	-¥18 million	-¥77 million
	Net profit	¥154 million	-¥19 million	-¥43 million

## 3. Profile of the acquirer

(1)	Name	Taisho Pharmaceutical Co., Ltd.
(2)	Address	3-24-1 Takada, Toshima-ku, Tokyo
(3)	Title and name of representative	CEO, Shigeru Uehara
(4)	Business	Research on and development, manufacture, and sale of pharmaceuticals and health products
(5)	Paid-in capital	29,804 million yen
(6)	Established	May 1928
(7)	Net assets	294,573 million yen
(8)	Total assets	356,403 million yen
(9)	Major shareholder	Taisho Pharmaceutical Holdings Co., Ltd., 100%

and shareholding		
(10)	Relationships with KYORIN	Capital
		Human resources
		Business
		Not applicable
		Not applicable
		Not applicable

#### 4. Number of shares transferred, transfer price, and shares held before and after transfer

(1)	Number of shares held before transfer	1,484 (voting rights: 1,484; shareholding: 100.0%)
(2)	Number of shares transferred	1,484 (voting rights: 1,484)
(3)	Transfer price	The transfer price is not disclosed because of a non-disclosure agreement concluded with the acquirer.
(4)	Number of shares held after transfer	0 (voting rights: 0; shareholding: 0.0%)

#### 5. Schedule

(1)	Resolution at Board meeting	December 26, 2016
(2)	Contract	December 26, 2016
(3)	Share transfer	April 1, 2017 (plan)

#### 6. Outlook

The share transfer does not have any impact on the consolidated results forecast for the fiscal year ending March 31, 2017.