



November 22, 2024

Transfer of the amino acid and human milk oligosaccharide businesses

We, Kyowa Hakko Bio Co., Ltd. (President and Representative Director: Koji Fukada) have decided to carveout amino acid and human milk oligosaccharide businesses (hereinafter "certain businesses") to a new company and transfer it to a special purpose company, a subsidiary of Meihua Holdings Group Co., Ltd. (hereinafter "MEIHUA"), a leading bio-manufacturing company in China, and today signed a contract regarding the business transfer.

1. Reason for business transfer

We have been considering radical structural reforms with all options in mind, taking into consideration the medium- to long-term profitability prospects of the amino acid market and our own organizational capabilities (manufacturing and sales). We have determined that transferring a portion of our business to MEIHUA, which possesses advanced production quality technology, is the best way to ensure the continued delivery of high-quality products to our customers, and today we have agreed to conclude a transfer agreement.

The smooth transfer of this business will require a series of transfer procedures, including pharmaceutical manufacturing licensing, and it is expected that these procedures will be completed in the fourth quarter of 2025.

After the completion of this business transfer, we will focus on the specialty materials business, including Citicoline. We will continue to pursue further growth through the implementation of business structure reforms, including this business transfer, and the creation of new value.

2. Overview of business subject to transfer

(1) Business Name	Kyowa Hakko Bio's Amino Acid and Human Milk Oligosaccharide businesses
(2) Head Office	Nakano Central Park South, 4-10-2 Nakano, Nakano-ku, Tokyo
(3) Representative	President and Representative Director Koji Fukada
(4) Description of Business	Manufacture and sale of pharmaceutical raw materials, various amino acids, and healthcare materials
(5) Capital	10 billion yen
(6) Founded	October 1, 2008
(7) Performance in the last Fiscal year	
Consolidated fiscal year	Ending Dec., 2023
Revenue	24.0 billion yen

The company is a private entity, and due to confidentiality agreements with the counterparties, financial information and other details will not be disclosed.

3. Overview of Meihua Holdings Group Co., Ltd.

(1) Company name	Meihua Holdings Group Co., Ltd.
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(2) Head Office	No.66 Huaxiang Road,Economic and Technical Development Area,Langfang City, Hebei Province 065001, China
(3) Representative	Chairman AiJun Wang
(4) Description of Business	Manufacture and sales of amino acids, seasonings and other products
(5) Founded	2009

Capital, net assets, and total assets are not disclosed due to lack of consent from the counterparty of the transfer.

*: There will be transferred to the above MEIHUA's special purpose company (Company name: Plum Biotechnology Group Pte. Ltd., Location: 600 North Bridge Road #12-10 Parkview Square Singapore). Other details are undecided currently.

4 .Schedule

(1) Date of Decision	November 22, 2024
(2) Date of Contract	November 22, 2024
(3) Business transfer date	Fourth quarter of 2025 (planned)

5. Other

For information on the impact of the transaction on Kirin Holdings' consolidated business results, please refer to the IR release issued by Kirin Holdings today, “Kyowa Hakko Bio to Transfer Part of its Business and Recognized Business Structure Improvement Expenses”.

(<https://www.kirinholdings.com/en/investors/library/explain/>)

<Contact for inquiries regarding this matter>

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