

Press Release

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8 March 2011

**Recommended cash acquisition of ProStrakan Group plc
by Kyowa Hakko Kirin Co., Ltd.
Posting of Scheme Document**

On 21 February 2011, the boards of Kyowa Hakko Kirin Co., Ltd. (“**KHK**”) and ProStrakan Group plc (“**ProStrakan**”) announced that they had reached agreement on the terms of a recommended cash acquisition by KHK of the entire issued and to be issued share capital of ProStrakan (the “**Acquisition**”), to be implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (the “**Scheme**”).

Further to that announcement, the boards of KHK and ProStrakan are pleased to announce that the Scheme Document relating to the Acquisition is being posted to ProStrakan Shareholders today. The Scheme Document contains, amongst other things, the full terms and conditions of the Scheme, an explanatory statement pursuant to section 897 of the Companies Act 2006, an anticipated timetable of principal events and details of the actions to be taken by the ProStrakan Shareholders. Participants in the ProStrakan Share Plans and holders of the ProStrakan Warrants will shortly be sent further details of the actions they can take in respect of their outstanding options, awards or warrants.

As described in the Scheme Document, to become effective, the Scheme will need to be approved at the Court Meeting and will require the passing of a special resolution at the General Meeting. Both the Court Meeting and the General Meeting will be held at the offices of Freshfields Bruckhaus Deringer LLP at 65 Fleet Street, London EC4Y 1HS on 31 March 2011 with the Court Meeting to commence at 10.00 a.m. and the General Meeting to commence at 10.15 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned). Notices of the Court Meeting and the General Meeting are set out in the Scheme Document.

The Scheme Document is available for inspection at the offices of Freshfields Bruckhaus Deringer LLP at 65 Fleet Street, London EC4Y 1HS, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the conclusion of the Court Meeting and the General Meeting. The Scheme Document has been submitted to the National Storage Mechanism and will shortly be available for inspection at www.hemscott.com/nsm.do and a copy will also be made available on the ProStrakan website at www.prostrakan.com.

The anticipated timetable of principal events is as follows:

Event	Time and/or date (2011)
Latest time for lodging Forms of Proxy for the Court Meeting	10.00 a.m. on 29 March
Latest time for lodging Forms of Proxy for the General Meeting	10.15 a.m. on 29 March
Voting Record Time for Court Meeting and General Meeting	6.00 p.m. on 29 March

Court Meeting	10.00 a.m. on 31 March
General Meeting	10.15 a.m. on 31 March

The following dates may be subject to change

Scheme Record Time, suspension of listing and dealings in ProStrakan Shares and disablement of ProStrakan Shares in CREST	6.00 p.m. on 19 April
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Court hearing to sanction the Scheme and confirm the Reduction of Capital	20 April
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Effective Date	21 April
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Cancellation of listing of ProStrakan Shares	By no later than 8.00 a.m. on 21 April
Despatch of cheques and settlement through CREST	4 May

All references in the above timetable to times are to London time (unless otherwise stated). Terms and expressions used in this announcement shall, unless the context otherwise requires, have the same meanings as given to them in the announcement of 21 February 2011. This announcement will be made available on the ProStrakan website at www.prostrakan.com.

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Bank of America Merrill Lynch is acting exclusively for KHK and no-one else in connection with the Acquisition and will not be responsible to anyone other than KHK for providing the protections afforded to clients of Bank of America Merrill Lynch or for providing advice in relation to the Acquisition or any other matter referred to in this announcement.

J.P. Morgan plc, which operates its investment banking business in the United Kingdom under the name J.P. Morgan Cazenove and which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for ProStrakan and no one else in connection with the Acquisition and will not be responsible to anyone other than ProStrakan for providing the protections afforded to clients of J.P. Morgan plc or for providing advice in connection with the Acquisition or any matter referred to in this announcement.

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This announcement is not intended to, and does not, constitute or form part of an offer to sell, or otherwise dispose of, or constitute an invitation or the solicitation of an offer to purchase, subscribe for or otherwise acquire any securities or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise nor shall there be any sale, issuance or transfer of securities of ProStrakan in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document, which contains the full terms and conditions of the Acquisition (including details of how to vote in respect of the Scheme). Any vote in respect of the Scheme or other response to the Acquisition should be made only on the basis of the information contained in the Scheme Document.

This announcement has been prepared for the purpose of complying with English and Scots law, the Listing Rules, the rules of the London Stock Exchange and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Shareholders in the United States should note that the Scheme relates to the shares of a company incorporated in Scotland and will be governed by Scots law. Neither the proxy solicitation nor the tender offer rules under the US Securities Exchange Act of 1934, as amended, will apply to the Scheme. Moreover, the Scheme will be subject to the disclosure requirements and practices and procedures applicable to schemes of

arrangement under Scots Law, which differ from the disclosure and procedural requirements of the US proxy solicitation rules and tender offer rules.

Forward Looking Statements

This announcement contains statements about KHK and ProStrakan that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans" "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or, words or terms of similar substance or the negative thereof, are forward looking statements. Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements, including risks relating to the successful integration of ProStrakan with KHK; higher than anticipated costs relating to the integration of ProStrakan or investment required in ProStrakan to realise expected benefits and facts relating to ProStrakan that may impact the timing or amount of benefit realised from the acquisition that are unknown to KHK. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. KHK and ProStrakan disclaim any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of ProStrakan, all "dealings" in any "relevant securities" of ProStrakan (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 p.m. (London time) on the business day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes effective or lapses or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of ProStrakan, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of ProStrakan by KHK or ProStrakan, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, please contact an independent financial adviser authorised under the Financial Services and Markets Act 2000, consult the Panel's website at www.thetakeoverpanel.org.uk or contact the Panel on telephone number +44 (0) 20 7638 0129; fax +44 (0) 20 7236 7013.