

# Kyowa Hakko Kirin Co., Ltd.

## Appendix to the Consolidated Financial Summary (JGAAP) Fiscal 2016 Third Quarter

(January 1, 2016 - September 30, 2016)

- These materials were made as a supplement to the Kessan Tanshin (Consolidated Financial Summary, JGAAP), disclosed at the Tokyo Stock Exchange on October 28, 2016 for the first nine months of Fiscal 2016, from January 1, 2016 to September 30, 2016.
- This document is an English translation of parts of the Japanese-language original. The statements, including earnings forecasts, contained in these materials are based on the information currently available to the Company and on certain assumptions deemed to be reasonable by management. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ materially from these projections for a wide variety of reasons.
- Figures presented in these materials have been rounded down to the nearest tenth.

Index	Page
I. Consolidated Financial Results	
1. Trends in consolidated income	1
2. Trends in results by segment	2
3. Other trends	3
II. Consolidated Balance Sheets	4
III. Operating Income or Loss by Segment	5
IV. Operating Income or Loss of Main Subsidiaries of Pharmaceuticals Segment	6
V. Kyowa Hakko Kirin Net Sales of Main Products	7
VI. R&D Pipeline	9

The average exchange rate for each period was as follows:

Unit: Yen

	FY 2015 results				FY 2016 results				FY 2016 forecasts
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
USD	119	120	120	121	117	114	111	-	109
EUR	138	135	135	135	128	127	123	-	121
GBP	183	183	186	185	169	165	156	-	150

Contact  
 Kyowa Hakko Kirin Co., Ltd.  
 Corporate Communications Department  
 Tel +81 3 5205 7206

**I. Consolidated Financial Results**

1. Trends in consolidated income

Accumulative

Unit: Billions of yen, rounded down

	FY 2015 results				FY 2016 results								FY 2016 forecasts		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	Change		Jan - Dec	%	Jan - Dec	%
										Amount	%				
Net sales	89.5	178.8	272.9	364.3	88.4	99%	174.0	97%	257.7	(15.1)	94%	-	-	344.0	94%
Gross profit	51.9	108.8	170.4	225.3	51.7	100%	103.8	95%	155.8	(14.5)	91%	-	-	211.2	94%
Selling, general and administrative expenses	42.5	86.3	129.5	181.6	43.2	101%	88.4	102%	129.0	(0.5)	100%	-	-	179.2	99%
Operating income	9.3	22.4	40.8	43.7	8.5	91%	15.3	68%	26.8	(14.0)	66%	-	-	32.0	73%
Non-operating income	1.1	1.8	2.7	2.9	0.9	84%	2.7	146%	1.9	(0.8)	69%	-	-	-	-
Non-operating expenses	2.4	4.2	6.9	7.4	1.6	68%	4.3	103%	6.1	(0.8)	88%	-	-	-	-
Ordinary income	8.0	20.0	36.6	39.2	7.8	97%	13.6	68%	22.6	(14.0)	62%	-	-	26.0	66%
Extraordinary income	0.6	0.6	7.5	8.1	4.3	696%	4.4	725%	4.4	(3.0)	59%	-	-	-	-
Extraordinary losses	0.4	3.4	3.5	5.9	-	-	-	-	0.2	(3.3)	7%	-	-	-	-
Profit before income taxes	8.2	17.2	40.6	41.4	12.1	147%	18.1	106%	26.8	(13.7)	66%	-	-	30.0	72%
Total income taxes	3.6	7.6	14.6	11.6	4.7	129%	7.4	96%	10.4	(4.2)	71%	-	-	-	-
Profit	4.6	9.5	26.0	29.7	7.3	161%	10.7	113%	16.4	(9.5)	63%	-	-	18.0	60%
Amortization of goodwill	3.3	6.6	10.0	13.4	3.2	98%	6.4	97%	9.5	(0.5)	95%	-	-	12.5	-
Share of profit/loss of entities accounted for using equity method	(1.1)	(2.2)	(3.6)	(3.7)	(1.0)	-	(2.0)	-	(4.9)	(1.3)	-	-	-	(6.5)	-
Core operating income*1	11.5	26.8	47.3	53.4	10.7	93%	19.7	73%	31.4	(15.8)	66%	-	-	38.0	71%
EPS prior to amortization of goodwill (¥/share)	14.53	29.63	66.03	78.95	19.49	134%	31.53	106%	47.61	(18.42)	72%	-	-	55.74	71%
ROE prior to amortization of goodwill (%)	-	-	-	7.1	-	-	-	-	-	-	-	-	-	-	-

\*1 Core operating income = Operating income + Amortization of goodwill + Share of profit/loss of entities accounted for using equity method

\*2 The FY 2016 forecasts are the values announced in the Company's news release "Kyowa Hakko Kirin Revises Forecasts" dated July 21, 2016.

Quarterly

Unit: Billions of yen, rounded down

	FY 2015 results				FY 2016 results								
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	%	Apr - Jun	%	Jul - Sep	Change		Oct - Dec	%
										Amount	%		
Net sales	89.5	89.2	94.1	91.3	88.4	99%	85.5	96%	83.7	(10.4)	89%	-	-
Gross profit	51.9	56.9	61.5	54.9	51.7	100%	52.1	92%	52.0	(9.5)	84%	-	-
Selling, general and administrative expenses	42.5	43.8	43.1	52.0	43.2	101%	45.2	103%	40.5	(2.6)	94%	-	-
Operating income	9.3	13.1	18.4	2.8	8.5	91%	6.8	52%	11.4	(6.9)	62%	-	-
Non-operating income	1.1	0.7	0.9	0.1	0.9	84%	1.7	247%	(0.8)	(1.7)	-	-	-
Non-operating expenses	2.4	1.8	2.7	0.5	1.6	68%	2.7	148%	1.7	(0.9)	64%	-	-
Ordinary income	8.0	11.9	16.6	2.5	7.8	97%	5.8	49%	8.9	(7.6)	54%	-	-
Extraordinary income	0.6	-	6.9	0.6	4.3	696%	0.1	-	-	(6.9)	-	-	-
Extraordinary losses	0.4	3.0	0.0	2.4	-	-	-	-	0.2	0.1	365%	-	-
Profit before income taxes	8.2	8.9	23.4	0.7	12.1	147%	6.0	67%	8.7	(14.7)	37%	-	-
Total income taxes	3.6	4.0	6.9	(3.0)	4.7	129%	2.6	66%	3.0	(3.9)	43%	-	-
Profit	4.6	4.9	16.5	3.7	7.3	161%	3.3	68%	5.7	(10.8)	35%	-	-
Amortization of goodwill	3.3	3.3	3.3	3.3	3.2	98%	3.2	96%	3.0	(0.3)	91%	-	-
Share of profit/loss of entities accounted for using equity method	(1.1)	(1.1)	(1.3)	(0.1)	(1.0)	-	(1.0)	-	(2.8)	(1.5)	-	-	-
Core operating income	11.5	15.3	20.4	6.0	10.7	93%	9.0	59%	11.7	(8.7)	57%	-	-

I. Consolidated Financial Results

2. Trends in results by segment

(1) Reportable segment

Accumulative

Unit: Billions of yen, rounded down

	FY 2015 results				FY 2016 results								FY 2016 forecasts		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	Change		Jan - Dec	%	Jan - Dec	%
										Amount	%				
Net sales	89.5	178.8	272.9	364.3	88.4	99%	174.0	97%	257.7	(15.1)	94%	-	-	344.0	94%
Pharmaceuticals	68.0	135.3	208.7	279.2	68.0	100%	132.2	98%	196.4	(12.3)	94%	-	-	264.0	95%
Elimination of inter-segment sales	(0.2)	(0.4)	(0.6)	(0.8)	(0.2)	-	(0.4)	-	(0.5)	0.0	-	-	-	(1.0)	-
Bio-Chemicals	22.1	45.0	67.1	88.8	21.2	96%	43.1	96%	63.6	(3.4)	95%	-	-	84.0	94%
Elimination of inter-segment sales	(0.3)	(1.0)	(2.2)	(2.9)	(0.5)	-	(0.9)	-	(1.7)	0.5	-	-	-	(3.0)	-
Operating income	9.3	22.4	40.8	43.7	8.5	91%	15.3	68%	26.8	(14.0)	66%	-	-	32.0	73%
Pharmaceuticals	7.7	18.5	34.9	36.2	5.9	76%	11.6	63%	22.0	(12.9)	63%	-	-	27.5	76%
Bio-Chemicals	1.4	3.9	6.4	8.1	2.3	159%	3.4	87%	4.7	(1.6)	74%	-	-	4.5	55%
Eliminations	0.0	(0.0)	(0.5)	(0.5)	0.3	325%	0.1	-	0.0	0.5	-	-	-	-	-
Core operating income	11.5	26.8	47.3	53.4	10.7	93%	19.7	73%	31.4	(15.8)	66%	-	-	38.0	71%
Pharmaceuticals	9.8	22.6	40.9	45.2	7.9	81%	15.7	70%	26.2	(14.7)	64%	-	-	32.9	73%
Bio-Chemicals	1.6	4.3	6.9	8.7	2.4	153%	3.7	88%	5.2	(1.6)	76%	-	-	5.1	59%
Eliminations	0.0	(0.0)	(0.5)	(0.5)	0.3	325%	0.1	-	0.0	0.5	-	-	-	-	-

Quarterly

Unit: Billions of yen, rounded down

	FY 2015 results				FY 2016 results								
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	%	Apr - Jun	%	Jul - Sep	Change		Oct - Dec	%
										Amount	%		
Net sales	89.5	89.2	94.1	91.3	88.4	99%	85.5	96%	83.7	(10.4)	89%	-	-
Pharmaceuticals	68.0	67.2	73.4	70.5	68.0	100%	64.2	96%	64.1	(9.2)	87%	-	-
Elimination of inter-segment sales	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	-	(0.2)	-	(0.1)	0.0	-	-	-
Bio-Chemicals	22.1	22.8	22.0	21.7	21.2	96%	21.9	96%	20.5	(1.5)	93%	-	-
Elimination of inter-segment sales	(0.3)	(0.7)	(1.1)	(0.6)	(0.5)	-	(0.3)	-	(0.8)	0.3	-	-	-
Operating income	9.3	13.1	18.4	2.8	8.5	91%	6.8	52%	11.4	(6.9)	62%	-	-
Pharmaceuticals	7.7	10.7	16.3	1.2	5.9	76%	5.7	53%	10.3	(6.0)	63%	-	-
Bio-Chemicals	1.4	2.5	2.4	1.6	2.3	159%	1.1	46%	1.2	(1.1)	52%	-	-
Eliminations	0.0	(0.1)	(0.4)	(0.0)	0.3	325%	(0.1)	-	(0.1)	0.2	-	-	-
Core operating income	11.5	15.3	20.4	6.0	10.7	93%	9.0	59%	11.7	(8.7)	57%	-	-
Pharmaceuticals	9.8	12.8	18.3	4.2	7.9	81%	7.8	61%	10.4	(7.8)	57%	-	-
Bio-Chemicals	1.6	2.6	2.5	1.8	2.4	153%	1.3	49%	1.4	(1.1)	55%	-	-
Eliminations	0.0	(0.1)	(0.4)	(0.0)	0.3	325%	(0.1)	-	(0.1)	0.2	-	-	-

(2) Sales by geographic region

Unit: Billions of yen, rounded down

	FY 2015 results					FY 2016 results								FY 2016 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Percentage of consolidated sales	Jan - Mar	Percentage of consolidated sales	Jan - Jun	Percentage of consolidated sales	Jan - Sep	Percentage of consolidated sales	Jan - Dec	Percentage of consolidated sales	Jan - Dec	Percentage of consolidated sales
Japan	61.6	122.8	184.4	249.9	68.6%	63.1	71.4%	123.8	71.1%	184.8	71.7%	-	-	246.4	71.6%
International	27.9	56.0	88.4	114.3	31.4%	25.2	28.6%	50.2	28.9%	72.8	28.3%	-	-	97.5	28.4%
Americas	7.4	13.7	19.5	24.1	6.6%	5.9	6.7%	10.0	5.8%	13.9	5.4%	-	-	20.9	6.1%
Europe	13.2	26.3	45.5	57.9	15.9%	12.2	13.9%	25.2	14.5%	36.9	14.3%	-	-	46.8	13.6%
Asia	7.0	15.4	22.6	31.0	8.5%	6.8	7.8%	14.4	8.3%	21.1	8.2%	-	-	29.1	8.5%
Others	0.2	0.4	0.6	1.0	0.3%	0.1	0.2%	0.4	0.3%	0.8	0.3%	-	-	0.6	0.2%
Total consolidated net sales	89.5	178.8	272.9	364.3	100%	88.4	100%	174.0	100%	257.7	100%	-	-	344.0	100%

\* Net sales classified by region or country based on location of customer.

**I. Consolidated Financial Results**
**3. Other trends**
**(1) R&D expenses**
*Unit: Billions of yen, rounded down*

	FY 2015 results				FY 2016 results				FY 2016 forecasts
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
R&D expenses	12.1	24.1	36.2	51.6	13.7	27.2	38.8	-	53.6
<i>R&amp;D to net sales ratio</i>	13.5%	13.5%	13.3%	14.2%	15.5%	15.7%	15.1%	-	15.6%
Pharmaceuticals	11.3	22.5	33.8	48.3	12.9	25.6	36.4	-	50.0
<i>R&amp;D to net sales ratio</i>	16.7%	16.7%	16.2%	17.3%	19.1%	19.4%	18.6%	-	19.0%
Bio-Chemicals	0.7	1.6	2.3	3.2	0.7	1.5	2.3	-	3.5

**(2) Capital expenditures (property, plant and equipment)**
*Unit: Billions of yen, rounded down*

	FY 2015 results				FY 2016 results				FY 2016 forecasts
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
Capital expenditures	5.6	10.2	13.3	19.0	3.9	8.5	15.8	-	25.0
Pharmaceuticals	2.2	4.6	6.9	10.5	2.6	5.9	10.3	-	13.9
Bio-Chemicals	3.3	5.6	6.3	8.4	1.2	2.6	5.4	-	11.1

**(3) Depreciation expenses (property, plant and equipment and intangible assets)**
*Unit: Billions of yen, rounded down*

	FY 2015 results				FY 2016 results				FY 2016 forecasts
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
Depreciation	5.5	11.2	17.1	23.1	5.7	11.7	17.2	-	23.9
<i>Amortization of intangible assets</i>	2.6	5.1	7.7	10.2	2.4	4.8	6.9	-	9.7
Pharmaceuticals	4.0	8.1	12.3	16.5	4.0	8.2	12.1	-	16.7
<i>Amortization of intangible assets</i>	2.6	5.1	7.6	10.2	2.3	4.8	6.9	-	9.5
Bio-Chemicals	1.4	3.0	4.8	6.5	1.7	3.4	5.1	-	7.1

\*Amortization of intangible assets do not include amortization of goodwill.

**(4) Amortization of goodwill**
*Unit: Billions of yen, rounded down*

	FY 2015 results				FY 2016 results				FY 2016 forecasts
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
Amortization of goodwill	3.3	6.6	10.0	13.4	3.2	6.4	9.5	-	12.5
Pharmaceuticals	3.1	6.3	9.6	12.8	3.1	6.1	9.1	-	11.8
Bio-Chemicals	0.1	0.3	0.4	0.6	0.1	0.3	0.4	-	0.6

**II. Consolidated Balance Sheets**
*Unit: Billions of yen, rounded down*

	FY 2014	FY 2015				FY 2016				Change from previous year end	Dec 31
	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30			
<b>Assets</b>	<b>719.1</b>	<b>699.8</b>	<b>708.5</b>	<b>708.2</b>	<b>720.7</b>	<b>702.5</b>	<b>686.5</b>	<b>677.2</b>	<b>(43.5)</b>	-	
Current assets	283.1	270.3	278.0	307.4	324.4	310.3	311.5	311.9	(12.4)	-	
Cash and deposits	20.6	16.5	16.2	17.2	13.2	13.2	10.9	11.8	(1.4)	-	
Notes and accounts receivable - trade	108.8	106.2	105.2	100.7	106.8	106.9	100.7	96.2	(10.5)	-	
Inventories	91.2	91.5	90.2	88.1	84.8	83.4	78.2	76.6	(8.1)	-	
Deferred tax assets	10.6	10.2	10.2	9.8	11.1	10.7	10.5	10.3	(0.7)	-	
Short-term loans receivable	41.6	36.2	45.1	80.0	96.1	87.3	98.7	107.8	11.7	-	
Accounts receivable - other	5.3	5.4	5.6	6.2	7.6	4.3	3.9	4.2	(3.4)	-	
Other	4.7	3.9	5.1	5.1	4.6	4.2	8.3	4.6	0.0	-	
Non-current assets	435.9	429.5	430.5	400.7	396.3	392.2	374.9	365.2	(31.0)	-	
Property, plant and equipment	151.8	154.5	152.9	149.8	147.0	145.8	144.8	147.6	0.6	-	
Buildings and structures	44.4	45.5	48.2	49.0	49.4	48.6	47.5	50.2	0.8	-	
Machinery, equipment and vehicles	22.1	25.8	30.4	29.6	30.6	29.7	27.7	28.3	(2.2)	-	
Land	54.2	54.0	51.0	49.5	46.6	46.3	46.1	45.9	(0.7)	-	
Other	30.9	29.0	23.2	21.6	20.3	21.1	23.2	23.0	2.7	-	
Intangible assets	241.5	228.9	230.6	220.2	212.8	210.7	192.6	183.7	(29.1)	-	
Goodwill	173.2	165.7	166.0	159.9	155.8	148.6	140.1	135.3	(20.4)	-	
Sales right	67.2	62.3	63.8	59.4	56.2	61.4	52.0	47.7	(8.4)	-	
Other	1.0	0.8	0.8	0.7	0.7	0.6	0.5	0.5	(0.1)	-	
Investments and other assets	42.5	46.0	46.9	30.6	36.4	35.6	37.4	33.8	(2.6)	-	
Investment securities	22.7	27.6	28.4	11.6	14.0	12.5	13.1	10.7	(3.3)	-	
Net defined benefit asset	6.4	5.8	6.1	6.5	6.9	7.5	8.3	8.7	1.7	-	
Deferred tax assets	8.0	7.1	7.0	7.3	10.3	10.3	9.8	9.3	(1.0)	-	
Other	5.2	5.3	5.2	5.0	5.1	5.2	6.0	5.1	(0.0)	-	
<b>Liabilities</b>	<b>113.7</b>	<b>100.0</b>	<b>97.5</b>	<b>96.0</b>	<b>105.9</b>	<b>97.0</b>	<b>91.5</b>	<b>86.2</b>	<b>(19.6)</b>	-	
Current liabilities	85.1	76.4	74.6	74.8	84.8	79.0	74.7	70.3	(14.4)	-	
Notes and accounts payable - trade	22.7	24.5	17.2	16.3	19.0	23.2	17.2	17.7	(1.3)	-	
Short-term loans payable	4.8	4.9	4.8	4.8	4.8	4.8	4.8	4.8	0.0	-	
Accounts payable - other	39.2	29.9	35.4	30.8	39.8	33.3	36.3	29.7	(10.1)	-	
Income taxes payable	7.7	4.4	8.7	10.3	11.8	4.5	6.8	5.2	(6.5)	-	
Provision	2.7	5.5	2.0	6.3	2.7	5.7	2.2	5.5	2.8	-	
Other	7.8	7.0	6.1	6.1	6.4	7.1	7.2	7.1	0.6	-	
Non-current liabilities	28.5	23.5	22.9	21.2	21.0	17.9	16.7	15.9	(5.1)	-	
Deferred tax liabilities	16.2	14.5	13.8	12.1	12.0	10.7	9.7	8.6	(3.4)	-	
Net defined benefit liability	3.7	2.0	2.0	2.0	1.8	1.7	1.7	1.7	(0.1)	-	
Provision	3.4	3.4	3.3	3.3	3.3	3.3	3.1	3.1	(0.2)	-	
Other	5.1	3.5	3.6	3.6	3.7	2.1	2.1	2.4	(1.3)	-	
<b>Net assets</b>	<b>605.3</b>	<b>599.8</b>	<b>611.0</b>	<b>612.1</b>	<b>614.8</b>	<b>605.5</b>	<b>595.0</b>	<b>590.9</b>	<b>(23.9)</b>	-	
Shareholders' equity	580.4	576.8	581.7	591.3	594.9	595.5	598.9	597.7	2.7	-	
Capital stock	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	-	-	
Capital surplus	512.3	509.1	509.1	509.1	509.1	509.1	509.1	509.1	0.0	-	
Retained earnings	68.1	67.6	72.5	82.2	85.9	86.5	89.9	88.7	2.7	-	
Treasury shares	(26.6)	(26.6)	(26.7)	(26.8)	(26.8)	(26.8)	(26.8)	(26.8)	(0.0)	-	
Accumulated other comprehensive income	24.5	22.6	28.9	20.4	19.4	9.5	(4.3)	(7.3)	(26.8)	-	
Valuation difference on available-for-sale securities	2.7	5.1	5.0	2.2	2.9	2.1	1.5	1.8	(1.1)	-	
Foreign currency translation adjustment	24.4	20.1	26.4	20.5	18.8	9.7	(3.8)	(7.2)	(26.0)	-	
Remeasurements of defined benefit plans	(2.6)	(2.6)	(2.4)	(2.3)	(2.3)	(2.2)	(2.1)	(1.9)	0.3	-	
Subscription rights to shares	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.0	-	
<b>Total liabilities and net assets</b>	<b>719.1</b>	<b>699.8</b>	<b>708.5</b>	<b>708.2</b>	<b>720.7</b>	<b>702.5</b>	<b>686.5</b>	<b>677.2</b>	<b>(43.5)</b>	-	

**III. Operating Income or Loss by Segment**
**1. Pharmaceuticals segment**
*Unit: Billions of yen, rounded down*

	FY 2015 results				FY 2016 results								FY 2016 forecasts		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	Change		Jan - Dec	%	Jan - Dec	%
										Amount	%				
Net sales	68.0	135.3	208.7	279.2	68.0	100%	132.2	98%	196.4	(12.3)	94%	-	-	264.0	95%
Japan	50.0	100.1	150.6	204.9	52.0	104%	101.4	101%	151.8	1.1	101%	-	-	202.7	99%
International	17.9	35.1	58.1	74.3	15.9	89%	30.8	88%	44.6	(13.5)	77%	-	-	61.2	82%
International sales ratio	26%	26%	28%	27%	23%	-	23%	-	23%	-	-	-	-	23%	-
Americas	4.8	8.4	11.6	13.9	3.0	63%	4.4	53%	6.1	(5.4)	53%	-	-	10.8	78%
Europe	8.9	18.1	33.4	42.4	8.8	98%	17.8	98%	25.9	(7.4)	78%	-	-	32.9	78%
Asia	4.0	8.4	12.8	17.4	3.9	99%	8.2	99%	12.2	(0.5)	95%	-	-	17.2	99%
Others	0.1	0.1	0.2	0.4	0.0	72%	0.2	120%	0.3	0.0	114%	-	-	0.2	46%
Gross profit	45.0	93.9	148.2	196.4	44.2	98%	89.7	96%	135.5	(12.6)	91%	-	-	184.9	94%
Selling, general and administrative expenses	37.2	75.3	113.2	160.2	38.3	103%	78.0	104%	113.5	0.2	100%	-	-	157.4	98%
Operating income	7.7	18.5	34.9	36.2	5.9	76%	11.6	63%	22.0	(12.9)	63%	-	-	27.5	76%

**2. Bio-Chemicals segment**
*Unit: Billions of yen, rounded down*

	FY 2015 results				FY 2016 results								FY 2016 forecasts		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	Change		Jan - Dec	%	Jan - Dec	%
										Amount	%				
Net sales	22.1	45.0	67.1	88.8	21.2	96%	43.1	96%	63.6	(3.4)	95%	-	-	84.0	94%
Japan	12.1	24.1	36.7	48.9	11.8	98%	23.7	98%	35.4	(1.3)	96%	-	-	47.7	98%
International	10.0	20.8	30.3	39.9	9.3	93%	19.4	93%	28.2	(2.0)	93%	-	-	36.3	91%
International sales ratio	45%	46%	45%	45%	44%	-	45%	-	44%	-	-	-	-	43%	-
Americas	2.5	5.2	7.9	10.2	2.8	113%	5.5	105%	7.8	(0.1)	98%	-	-	10.1	99%
Europe	4.3	8.2	12.0	15.5	3.4	81%	7.4	91%	10.9	(1.1)	91%	-	-	13.9	89%
Asia	3.0	7.0	9.8	13.6	2.9	96%	6.1	88%	8.9	(0.9)	91%	-	-	11.9	87%
Others	0.1	0.3	0.4	0.5	0.1	71%	0.2	73%	0.5	0.1	125%	-	-	0.4	67%
Gross profit	6.8	15.0	22.7	29.6	7.3	107%	14.0	93%	20.3	(2.4)	89%	-	-	26.3	89%
Selling, general and administrative expenses	5.3	11.0	16.3	21.4	4.9	93%	10.5	95%	15.5	(0.7)	95%	-	-	21.8	102%
Operating income	1.4	3.9	6.4	8.1	2.3	159%	3.4	87%	4.7	(1.6)	74%	-	-	4.5	55%

IV. Operating Income or Loss of Main Subsidiaries of Pharmaceuticals Segment

(1) Kyowa Kirin International (GBP)\*<sup>1</sup>

Unit: Millions of GBP, rounded down

	FY 2015 results				FY 2016 results								FY 2016 forecasts		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	Change		Jan - Dec	%	Jan - Dec	%
										Amount	%				
Net sales	53.7	108.7	163.7	222.0	60.6	113%	122.2	112%	185.0	21.2	113%	-	-	243.9	110%
<i>Cancer pain</i>															
<b>Abstral</b>	12.9	27.5	42.6	60.0	15.7	122%	32.1	117%	50.2	7.6	118%	-	-	67.7	113%
<i>Cancer pain</i>															
<b>PecFent</b>	5.4	10.9	16.9	22.2	5.9	110%	12.4	114%	19.0	2.1	112%	-	-	27.2	123%
<i>Anticancer</i>															
<b>Mitomycin-C</b>	4.6	9.8	14.6	18.5	4.4	95%	9.2	94%	13.7	(0.8)	94%	-	-	17.6	95%
<i>Chemotherapy-induced nausea and vomiting drug</i>															
<b>Sancuso</b>	3.9	8.2	12.7	17.2	3.8	98%	8.7	107%	13.8	1.1	109%	-	-	19.7	114%
<i>Replacement therapy with testosterone for male hypogonadism</i>															
<b>Tostran</b>	5.8	9.2	12.2	17.5	4.7	80%	8.4	91%	11.9	(0.3)	97%	-	-	14.5	83%
<i>Relief of pain associated with chronic anal fissures</i>															
<b>Rectogesic</b>	2.8	5.4	7.9	10.3	2.9	105%	5.6	103%	8.3	0.3	105%	-	-	10.8	105%
<i>Osteoporosis drug</i>															
<b>Adcal-D3</b>	6.7	13.2	20.3	27.2	5.9	88%	13.1	99%	19.6	(0.7)	96%	-	-	26.3	97%
<b>Others</b>	11.3	24.1	36.1	48.6	17.0	151%	32.3	134%	48.0	11.9	133%	-	-	59.8	123%
Gross profit	38.9	81.4	121.2	163.2	47.7	123%	94.6	116%	140.2	18.9	116%	-	-	183.0	112%
Selling, general and administrative expenses <sup>*2</sup>	20.8	42.0	61.6	88.1	22.4	108%	49.1	117%	73.5	11.8	119%	-	-	105.7	120%
R&D expenses <sup>*2</sup>	1.6	3.0	5.0	6.8	4.5	277%	11.3	372%	16.8	11.8	335%	-	-	22.5	329%
EBITDA <sup>*3</sup>	16.4	36.2	54.5	68.2	20.7	126%	34.1	94%	49.8	(4.7)	91%	-	-	54.8	80%
Depreciation and amortization <sup>*2</sup>	15.4	30.6	46.4	61.9	15.8	103%	32.6	106%	49.2	2.8	106%	-	-	65.8	106%
Operating income	1.0	5.6	8.1	6.2	4.8	456%	1.4	27%	0.5	(7.6)	6%	-	-	(11.0)	-

\*1. On February 22, 2016, ProStrakan Group plc's company name was changed to Kyowa Kirin International plc.

\*2. R&D expenses, and depreciation and amortization are not included in selling, general and administrative expenses (Depreciation and amortization = Depreciation + Amortization of goodwill).

\*3. EBITDA = Operating income + Depreciation + Amortization of goodwill

\*4. Geographical breakdown of net sales for January – September 2016 is as follows:

UK	Europe (excluding UK)	Americas	Other
30.3%	51.8%	16.3%	1.6%

(2) Kyowa Medex Co., Ltd.

Unit: Billions of yen, rounded down

	FY 2015 results				FY 2016 results								FY 2016 forecasts		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	Change		Jan - Dec	%	Jan - Dec	%
										Amount	%				
Net sales	2.5	5.5	8.5	11.7	2.6	106%	5.7	103%	8.8	0.2	103%	-	-	12.1	103%
<i>Japan</i>															
Japan	2.1	4.6	7.0	9.8	1.9	93%	4.6	100%	7.1	0.0	101%	-	-	9.9	102%
<i>International</i>															
International	0.4	0.9	1.5	1.9	0.7	168%	1.0	115%	1.7	0.2	114%	-	-	2.1	108%
<i>International sales ratio</i>															
International sales ratio	16%	16%	18%	16%	27%	-	19%	-	19%	-	-	-	-	17%	-
Gross profit	1.3	2.9	4.5	6.1	1.2	96%	2.7	92%	4.3	(0.2)	95%	-	-	6.1	100%
Selling, general and administrative expenses	1.2	2.6	4.0	5.3	1.3	102%	2.6	99%	3.9	(0.1)	97%	-	-	5.6	105%
Operating income	0.0	0.3	0.4	0.8	(0.0)	-	0.1	40%	0.3	(0.0)	81%	-	-	0.5	63%



V. Kyowa Hakko Kirin Net Sales of Main Products

Accumulative

Unit: Billions of yen, rounded down

Indication / Product name	FY 2015 results				FY 2016 results								FY 2016 forecasts		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	Change		Jan - Dec	%	Jan - Dec	%
										Amount	%				
<i>ESA formulation</i> <b>Nesp</b>	12.3	27.0	42.0	57.5	13.3	109%	27.4	101%	41.6	(0.3)	99%	-	-	56.5	98%
<i>ESA formulation</i> <b>Espo</b>	0.4	0.9	1.4	1.9	0.4	95%	0.8	88%	1.2	(0.2)	84%	-	-	1.5	83%
<i>Secondary hyperparathyroidism</i> <b>Regpara</b>	3.9	8.5	13.2	18.2	4.3	110%	9.4	110%	14.5	1.3	110%	-	-	19.7	108%
<i>Secondary hyperparathyroidism</i> <b>Rocaltrol</b>	1.0	2.4	3.7	5.1	1.1	101%	2.1	88%	3.1	(0.5)	84%	-	-	4.0	78%
<i>Type-2 diabetes</i> <b>Onglyza</b>	0.8	2.0	3.2	4.8	1.2	150%	2.9	145%	4.4	1.2	137%	-	-	6.6	139%
<i>Cardiovascular (Hypertension &amp; angina pectoris)</i> <b>Coniel</b>	2.4	5.0	7.4	10.0	2.0	83%	4.0	80%	5.7	(1.6)	77%	-	-	7.5	75%
<i>Sustained-duration G-CSF</i> <b>G-Lasta</b>	1.4	3.8	6.7	10.3	3.6	259%	7.4	195%	11.1	4.4	167%	-	-	15.9	154%
<i>G-CSF</i> <b>Gran</b>	1.3	2.8	4.4	5.9	1.0	75%	2.0	72%	3.1	(1.2)	71%	-	-	3.6	62%
<i>Transdermal persistent pain</i> <b>Fentos</b>	1.2	2.8	4.4	6.1	1.3	107%	2.9	105%	4.5	0.1	103%	-	-	6.1	100%
<i>Anticancer</i> <b>Poteligeo</b>	0.4	1.0	1.4	1.9	0.4	98%	0.9	93%	1.4	0.0	100%	-	-	1.9	99%
<i>Chronic idiopathic thrombocytopenic purpura</i> <b>Romiplate</b>	0.6	1.3	2.1	3.0	0.7	121%	1.6	115%	2.4	0.2	110%	-	-	3.3	109%
<i>Antiallergenic</i> <b>Allelock</b>	7.8	12.4	16.8	22.1	6.8	88%	10.8	87%	14.0	(2.7)	83%	-	-	17.8	81%
<i>Antiallergic eyedrops</i> <b>Patanol</b>	7.4	8.8	10.7	12.8	7.3	98%	9.0	102%	10.9	0.1	102%	-	-	12.8	101%
<i>Ulcerative colitis</i> <b>Asacol</b>	1.3	2.9	4.5	6.1	1.2	86%	2.4	82%	3.5	(0.9)	79%	-	-	4.5	75%
<i>Psoriasis vulgaris</i> <b>Dovobet</b>	0.9	2.1	3.3	4.7	1.2	138%	2.9	134%	4.1	0.8	124%	-	-	5.5	117%
<i>Parkinson's disease</i> <b>Nourias</b>	0.9	2.2	3.6	5.3	1.4	151%	3.3	148%	5.1	1.5	141%	-	-	7.0	132%
<i>Antiepileptic</i> <b>Depakene</b>	2.0	4.2	6.4	8.7	1.8	90%	3.7	87%	5.5	(0.9)	86%	-	-	7.3	84%
<i>Gastrointestinal</i> <b>Nauzelin</b>	0.8	1.7	2.5	3.5	0.7	89%	1.4	85%	2.1	(0.4)	83%	-	-	2.8	81%
<b>Technology out-licensing</b>	1.7	3.7	11.3	11.9	0.5	30%	0.7	20%	4.1	(7.2)	37%	-	-	6.4	54%

**V. Kyowa Hakko Kirin Net Sales of Main Products**

Quarterly






Unit: Billions of yen, rounded down

Indication / Product name	FY 2015 results				FY 2016 results								
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	%	Apr - Jun	%	Jul - Sep	Change		Oct - Dec	%
										Amount	%		
ESA formulation <b>Nesp</b>	12.3	14.7	14.9	15.4	13.3	109%	14.1	95%	14.1	(0.7)	95%	-	-
ESA formulation <b>Espo</b>	0.4	0.5	0.5	0.4	0.4	95%	0.4	82%	0.3	(0.1)	77%	-	-
Secondary hyperparathyroidism <b>Regpara</b>	3.9	4.6	4.6	4.9	4.3	110%	5.1	111%	5.0	0.4	109%	-	-
Secondary hyperparathyroidism <b>Rocaltrol</b>	1.0	1.3	1.3	1.3	1.1	101%	1.0	78%	1.0	(0.3)	76%	-	-
Type-2 diabetes <b>Onglyza</b>	0.8	1.1	1.2	1.5	1.2	150%	1.6	141%	1.5	0.3	125%	-	-
Cardiovascular (Hypertension & angina pectoris) <b>Coniel</b>	2.4	2.6	2.4	2.5	2.0	83%	1.9	76%	1.7	(0.6)	73%	-	-
Sustained-duration G-CSF <b>G-Lasta</b>	1.4	2.4	2.8	3.6	3.6	259%	3.8	158%	3.7	0.8	130%	-	-
G-CSF <b>Gran</b>	1.3	1.5	1.5	1.4	1.0	75%	1.0	68%	1.0	(0.4)	69%	-	-
Transdermal persistent pain <b>Fentos</b>	1.2	1.5	1.5	1.7	1.3	107%	1.6	103%	1.5	0.0	100%	-	-
Anticancer <b>Poteligeo</b>	0.4	0.5	0.4	0.5	0.4	98%	0.4	88%	0.5	0.0	119%	-	-
Chronic idiopathic thrombocytopenic purpura <b>Romiplate</b>	0.6	0.7	0.8	0.8	0.7	121%	0.8	110%	0.8	0.0	102%	-	-
Antiallergenic <b>Allelock</b>	7.8	4.6	4.4	5.2	6.8	88%	3.9	86%	3.2	(1.1)	73%	-	-
Antiallergic eyedrops <b>Patanol</b>	7.4	1.3	1.9	2.0	7.3	98%	1.7	127%	1.8	(0.0)	97%	-	-
Ulcerative colitis <b>Asacol</b>	1.3	1.5	1.5	1.6	1.2	86%	1.2	79%	1.1	(0.4)	73%	-	-
Psoriasis vulgaris <b>Dovobet</b>	0.9	1.2	1.1	1.4	1.2	138%	1.6	131%	1.2	0.0	105%	-	-
Parkinson's disease <b>Nouriastr</b>	0.9	1.2	1.4	1.6	1.4	151%	1.8	145%	1.8	0.4	130%	-	-
Antiepileptic <b>Depakene</b>	2.0	2.2	2.1	2.2	1.8	90%	1.9	85%	1.7	(0.3)	82%	-	-
Gastrointestinal <b>Nauzelin</b>	0.8	0.8	0.7	1.0	0.7	89%	0.7	82%	0.6	(0.1)	79%	-	-
<b>Technology out-licensing</b>	1.7	2.0	7.6	0.6	0.5	30%	0.2	12%	3.4	(4.2)	45%	-	-











VI. R&D Pipeline


Filed • Approved  antibody  protein  small molecule

As of Oct. 21, 2016

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Nephrology		<b>KRN321</b> <b>Darbepoetin Alfa</b> <b>Injection</b>	Long-Acting Erythropoiesis Stimulating Agent	Renal Anemia (on Dialysis)	NDA in preparation in CN	Kirin-Amgen	
				Renal Anemia	Filed in ID		
				Myelodysplastic Syndromes	Filed in HK, SG, MY		
		<b>Cinacalcet</b> <b>Hydrochloride</b>	Calcium Receptor Agonist	Secondary Hyperparathyroidism	Filed in BN	Licensed from NPS	
Oncology		<b>Granisetron</b> <b>Patch</b>	5-HT <sub>3</sub> Serotonin Receptor Antagonist	Chemotherapy induced Nausea and Vomiting	Filed in MY	Licensed from Solasia Pharma	
Immunology /Allergy		<b>Z-206</b> <b>Mesalazine</b> <b>Oral</b>	pH Dependent Controlled Release Tablet	Ulcerative Colitis (Additional Dosage and Administration)	Filed in JP	Licensed from Zeria Pharma	Jointly Developed with Zeria Pharma
Other		<b>AMG531</b> <b>Romiplostim</b> <b>Injection</b>	Thrombopoietin Receptor Agonist	Idiopathic (Immune) Thrombocytopenic Purpura	Filed in TH	Kirin-Amgen	

Phase II, Phase III









Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Nephrology		<b>©RTA 402</b> <b>Bardoxolone Methyl</b> <b>Oral</b>	Antioxidant Inflammation Modulator	CKD in Patients with Type 2 Diabetes	Phase II in JP	Licensed from Reata	
		<b>©KHK7580</b> <b>Evocalcet</b> <b>Oral</b>	Calcium Receptor Agonist	Secondary Hyperparathyroidism	Phase III in JP	Licensed from Mitsubishi Tanabe Pharma	
Oncology		<b>©ARQ 197</b> <b>Tivantinib</b> <b>Oral</b>	c-Met Inhibitor	Hepatocellular Cancer	Phase III in JP	Licensed from ArQule	
		<b>KW-0761</b> <b>Mogamulizumab</b> <b>Injection</b>	Anti-CCR4 Humanized Antibody	Adult T-cell Leukemia/Lymphoma  Cutaneous T-cell Lymphoma	Phase II in US, EU and others  Phase III in US, EU, JP and others	In-House	POTELLIGENT®
Immunology /Allergy		<b>©KHK4083</b> <b>Injection</b>	Anti-OX40 Fully Human Antibody	Ulcerative colitis	Phase II in US, EU and others	In-House	POTELLIGENT® Human Antibody-Producing Technology
		<b>©KHK4563</b> <b>Benralizumab</b> <b>Injection</b>	Anti-IL-5 Receptor Humanized Antibody	Asthma  Chronic Obstructive Pulmonary Disease (COPD)  Eosinophilic Chronic Rhinosinusitis (ECRS)	Phase III in JP and KR  Phase III in JP  Phase II in JP	In-House	POTELLIGENT®  Jointly Developed with AstraZeneca/MedImmune in JP and KR
		<b>©ASKP1240</b> <b>Bleselumab</b> <b>Injection</b>	Anti-CD40 Fully Human Antibody	Organ Transplant Rejection	Phase I in JP  Phase II in US	In-House	Human Antibody-Producing Technology Jointly Developed with Astellas
		<b>KW-6002</b> <b>Istradefylline</b> <b>Oral</b>	Adenosine A <sub>2A</sub> Receptor Antagonist	Parkinson's Disease	Phase III in US, CA, EU and others	In-House	
Other		<b>©KRN23</b> <b>Injection</b>	Anti-FGF23 Fully Human Antibody	X-linked Hypophosphatemia (XLH) in adult patients	Phase III in US, CA, EU, JP and KR	In-House	Human Antibody-Producing Technology Jointly Developed with Ultragenyx in US and EU
				X-linked Hypophosphatemia (XLH) in pediatric patients	Phase II in US and EU		
				Tumor Induced Osteomalacia (TIO)/Epidermal Nevus Syndrome (ENS)	Phase II in US  Phase II in JP and KR		
		<b>AMG531</b> <b>Romiplostim</b> <b>Injection</b>	Thrombopoietin Receptor Agonist	Aplastic Anemia  Idiopathic (Immune) Thrombocytopenic Purpura	Phase II/III in JP and KR  Phase III in CN	Kirin-Amgen	


 Updated since Jul 22nd, 2016 (Area, Stage, Filed, Approved, etc.)  
 New Molecular Entity

VI. R&D Pipeline

Ph I  antibody  protein  small molecule


As of Oct. 21, 2016

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Oncology		©KRN951 Tivozanib Oral	VEGF Receptor Inhibitor	Cancer	Phase I in JP	In-House	Being Developed Overseas by AVEO as AV-951
		©KHK2375 Entinostat Oral	HDAC Inhibitor	Breast Cancer	Phase I in JP	Syndax	
		©KHK2455 Oral	IDO 1 Inhibitor	Solid Tumor	Phase I in US	In-House	Combination with KW-0761
		©KHK2823 Injection	Anti-CD123 Fully Humanized Antibody	Cancer	Phase I in UK	In-House	POTELLIGENT® Human Antibody-Producing Technology
		KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Solid Tumor	Phase I in US  Phase I / II in US  Phase I in JP	In-House	POTELLIGENT®  Combination with Durvalumab/Tremelimumab (Jointly Developed with AstraZeneca)  Combination with Docetaxel  Combination with PF-05082566 (Jointly Developed with Pfizer)  Combination with Nivolumab (Jointly Developed with Bristol-Myers Squibb)  Combination with Nivolumab (Jointly Developed with Ono Pharmaceutical)
Central Nervous System		©KW-6356 Oral	Adenosine A <sub>2A</sub> Receptor Antagonist	Parkinson's Disease	Phase I in JP	In-House	
		©KHK6640 Injection	Anti-Amyloid Beta Peptide Antibody	Alzheimer's Disease	Phase I in EU Phase I in JP	Licensed from Immunas Pharma	
Others		KW-3357 Antithrombin Gamma Injection	Recombinant Human Antithrombin	Disseminated Intravascular Coagulation, Congenital Antithrombin Deficiency	Phase I in EU	In-House	



 Updated since Jul 22nd, 2016 (Area, Stage, Filed, Approved, etc.)  
 © New Molecular Entity

Updated since Jul 22nd, 2016 (Area, Stage, Filed, Approved, etc.)


Filed

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Immunology /Allergy		Z-206 Mesalazine Oral	pH Dependent Controlled Release Tablet	Ulcerative Colitis (Additional Dosage and Administration)	Filed in JP	Licensed from Zeria Pharma	Jointly Developed with Zeria Pharma

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Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Oncology		©KHK2455 Oral	IDO 1 Inhibitor	Solid Tumor	Phase I in US	In-House	Combination with KW-0761
Central Nervous System		©KW-6356 Oral	Adenosine A <sub>2A</sub> Receptor Antagonist	Parkinson's Disease	Phase I in JP	In-House	

Terminated

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Oncology		©BW-8962 Injection	Anti-GM2 Humanized Antibody	Cancer	Phase I / IIa in KR	In-House	POTELLIGENT®

<Appendix>Pipeline of Biosimilar

**Phase III**

As of Oct. 21, 2016

Code Name	Generic Name	Stage	Remarks
<b>FKB327</b>	Adalimumab (fully human anti-TNF- $\alpha$ monoclonal antibody)	Phase III in US and others	Fujifilm Kyowa Kirin Biologics
<b>FKB238</b>	Bevacizumab (humanized anti-VEGF monoclonal antibody)	Phase III in US, Europe and others	Centus Biotherapeutics