

Kyowa Hakko Kirin Fiscal 2012 Results Meeting

(Fiscal year to December 31, 2012)

January 31, 2013

Kyowa Hakko Kirin Co., Ltd.

Statements on results, forecasts and R&D status contained in this presentation represent judgments based on information available at the current time. Actual results may differ significantly due to a variety of factors such as economic conditions and exchange rate fluctuations.

This document contains certain forward-looking statements relating to such items as the company's (including its domestic and overseas subsidiaries) forecasts, targets and plans. These forward-looking statements are based upon information available to the company at the present time and upon reasonable assumptions made by the company in making its forecasts, but actual results in practice may differ substantially due to uncertain factors.

These uncertain factors include, but are not limited to, potential risks associated with the pharmaceutical industry's domestic and international operating environment, intellectual property risks, the risk of adverse reactions to pharmaceutical products, legal risks, risks arising from product manufacturing deficiencies, risks due to fluctuations in the market prices of raw materials, fuel and products, as well as exchange rate and financial market volatility.

This document contains information on pharmaceutical products (including products under development), but its contents should not be construed as promotion, advertising or as a medical recommendation.

1. Summary of FY2012 results

Executive Managing Officer
Kazuyoshi Tachibana

- 1) Consolidated/Pharmaceutical/Bio-Chemical
- 2) Sales by core pharmaceutical product

2. Kyowa Hakko Kirin Group

President and CEO
Nobuo Hanai

Summary of FY2012 financial results

Executive Managing Officer, Kazuyoshi Tachibana

Summary of FY2012 financial results

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Net sales declined significantly due to the effects of removing the chemical business from consolidation
 Operating income* achieved a record high for third consecutive year due to strong performance in the Pharmaceuticals business

(¥ bn)	FY2011	FY2012	Change	FY2012 Forecast
Net sales	343.7	333.1	-10.5	333.0
Operating income* (OPM %)	46.6 (13.6)	52.9 (15.9)	+6.2	52.0
Ordinary income*	46.7	49.0	+2.2	46.5
Net income*	25.6	24.1	-1.4	23.0

* Income is earnings after amortization of goodwill

Summary of FY2012 financial results

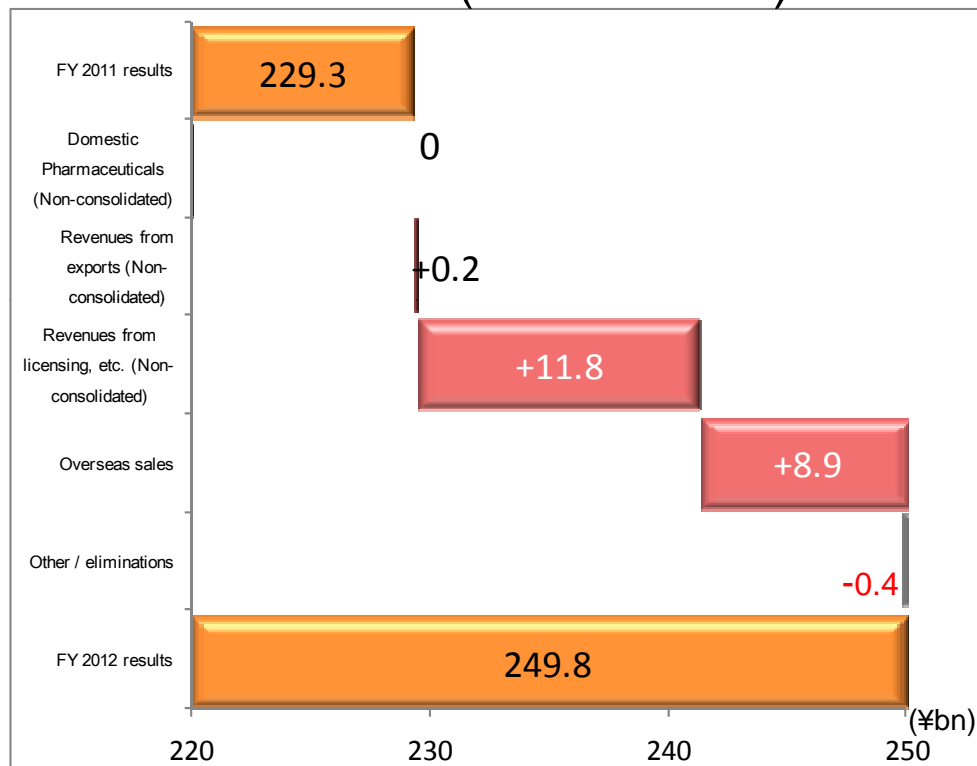
KYOWA KIRIN

Sales of core products were steady despite effects of national health insurance drug price
Revenues from technology for bio-similar related development also contributed to consolidated results

(¥ bn)	Fiscal 2011 results	Fiscal 2012 forecast	FY2012 results	vs. FY2011
Net Sales	343.7	333.0	333.1	-10.6
Pharmaceuticals	229.3	248.0	249.8	+20.5
Bio-Chemicals	77.5	79.0	76.9	-0.6
Chemicals	33.5	---	---	-33.5
Other	3.2	6.0	6.3	-3.0
Operating income*	46.6	52.0	52.9	+6.2
Pharmaceuticals	41.3	48.7	50.3	+9.0
Bio-Chemicals	2.8	3.0	2.1	-0.7
Chemicals	2.1	---	---	-2.1
Other	0.2	0.3	0.3	+0.1

* Income is recorded after amortization of goodwill

Net sales (consolidated)



Sales

- Domestic pharmaceuticals (-¥0.0bn):

Key factors included growth of main products *Nesp*, *Allelock*, etc., and market penetration of *Regpara*, *Fentos* and *Asacol*, which reduced the effects of the national health insurance drug price reform

- Exports (+¥0.2 bn):

Broadly unchanged

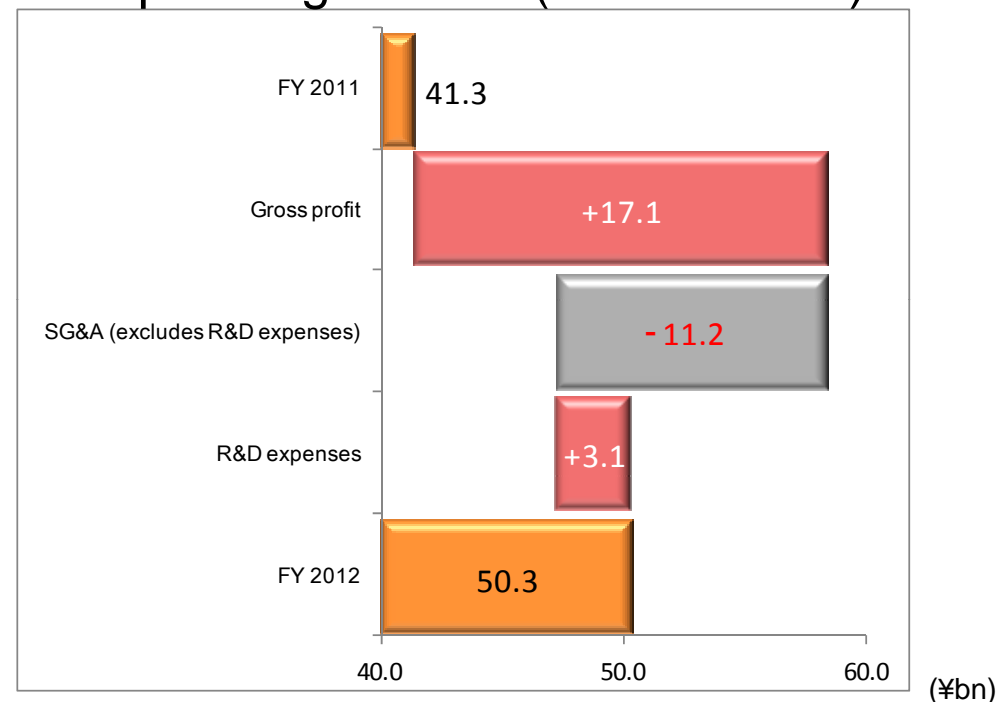
- Revenues from licensing (+¥11.8bn):

Key factors include Fujifilm Kyowa Kirin Biologics (FKB) related licensing income

- Overseas sales (+¥8.9bn):

Key factors included the effects of consolidation of ProStrakan (PSK) in the first half of 2011

Operating income (consolidated)



Gross profit

- Gross profit (+¥17.1bn) :

Increase due to increased sales volumes minimizing the effects of national health insurance reduced drug price reforms, FKB, etc., licensing income and consolidation of PSK

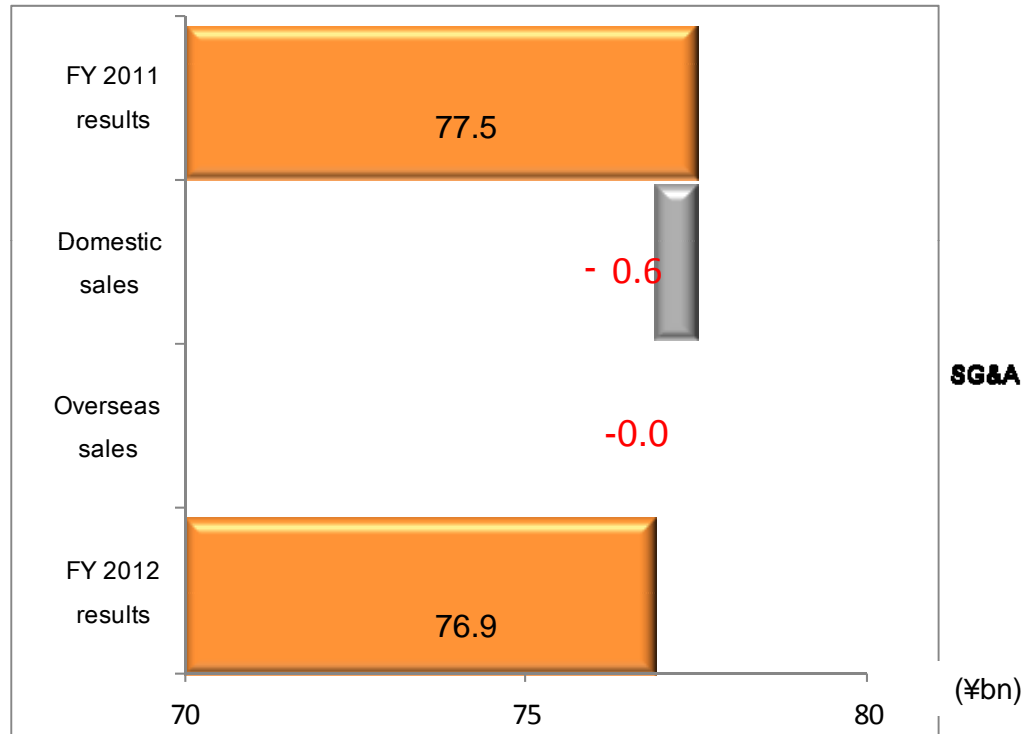
- SG&A (-¥11.2bn) :

Primary factors included increase in expenses due to consolidation of PSK and the lump-sum payment in-licensing saxagliptin

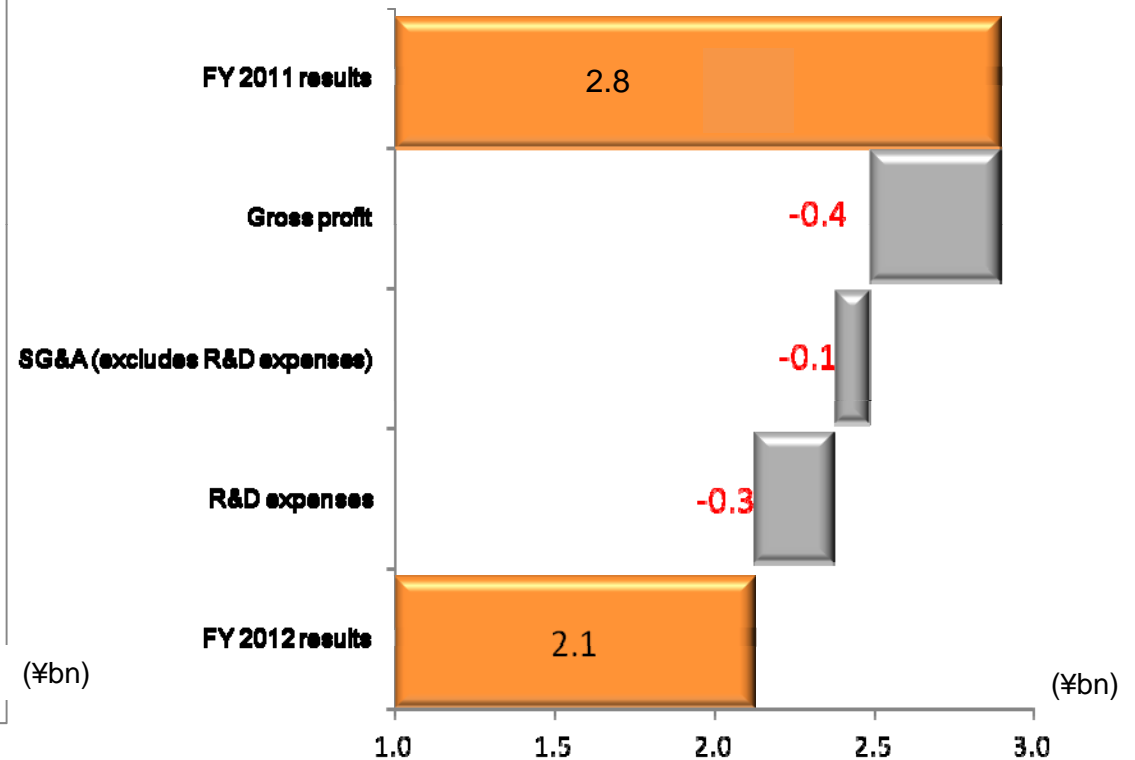
- R&D expenses (+¥3.1bn):

Decrease due to lower depreciation costs

Net sales (consolidated)



Operating income (consolidated)



Sales

• Domestic sales (-¥0.6bn):

Sales declined due to Y-on-Y decrease in orders from external customers for consolidated subsidiaries who supply equipment and facility-related service and within and outside the Group. Sales volumes of Tranexamic acid, launched by Daiichi Fine Chemical in 4Q, FY 2011 grew.

• Overseas sales (-¥0.0bn):

Sales were flat compared to the previous fiscal year. Continuing strong demand for pharmaceutical and manufacturing ingredients, especially amino acids, and sales increases from price revisions were offset by the impact of the strong yen.

Gross profit

• Gross profit (-¥0.4 bn): Significant impact from strong yen

• SG&A (-¥0.1 bn): Little changed from last year

• R&D expenses (-¥0.3 bn): Forward looking investment in pharmaceutical areas

**Please refer to the accompanying Consolidated
Financial Summary and Appendix documents**

Kyowa Hakko Kirin Group

Nobuo Hanai, President and CEO

**Domestic and overseas pipelines reached development milestones as planned
New pipelines saw two drugs as FIRST IN HUMAN**

Domestic

- ✓ Launched Parkinson's disease agent Apokyn ®
- ✓ Filed KW-2246 for cancer pain therapy currently in development
- ✓ Began phase II studies on KHK4827 targeting psoriasis
- ✓ Began phase I studies on ARQ 197 targeting carcinoma hepatocellular

Overseas

- ✓ In the US, began US phase III studies on KW-0761 targeting CTCL
- ✓ In the US and EU began phase II studies on KW-0761 targeting ATL

A new FIRST IN HUMAN drugs on our pipeline

- **KHK7580** (calcium receptor agonist / small molecule)
- **KHK4577** (anti-inflammatory agent / small molecule)

ARQ 197

Driving development of hepatocellular cancer in a major Asian market

Target disease		Stage	Status
NSCLC	EGFR-Wild	Phase3	Discontinued
NSCLC	EGFR-Mut.	Phase2	On going
Gastric cancer		Phase2	On going
HCC		Phase1	On going



Remarks
Occurrence of interstitial disease on combination trials
EGFR-Mut. common among Asians.
Many inflicted in Asia. Planning joint international testing

RTA 402

Rapid decisions analysis of and development policy on results of overseas and domestic trials

Target disease		Stage	Status
CKD	Type2 DM	Phase2	Suspended



Remarks
To consider development policy in 2013

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The Kyowa Hakko Kirin Group companies strive to contribute to the health and well-being of people around the world by creating new value through the pursuit of advances in life sciences and technologies.

If you have any inquiries regarding this presentation please call:

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Tel: 03-3282-0009

APPENDIX

Sales of core pharmaceutical products

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(¥ bn)

Product	FY2011	FY2012	2012/2011 change (%)	FY2013 forecast
<i>Nesp</i>	56.4	58.1	103	57.8
<i>Espo</i>	5.3	3.9	73	3.5
<i>Regpara</i>	11.5	13.4	116	14.1
<i>Allelock</i>	29.1	29.9	103	27.8
<i>Patanol</i>	11.4	10.2	90	11.4
<i>Asacol</i>	2.8	4.1	142	4.8
<i>Gran</i>	14.8	13.5	92	12.6
<i>Fentos</i>	3.1	4.6	148	5.5
Exports	9.2	9.4	102	9.2
Technology out-licensing revenues	13.0	24.8	190	18.8

Forex rates

	FY2011	FY2012	Change
/\$	¥80/\$	¥80/\$	-¥0/\$
/€	¥111/€	¥103/€	-¥8/€
/£	¥128/£	¥127/£	-¥1/£

(Period average)

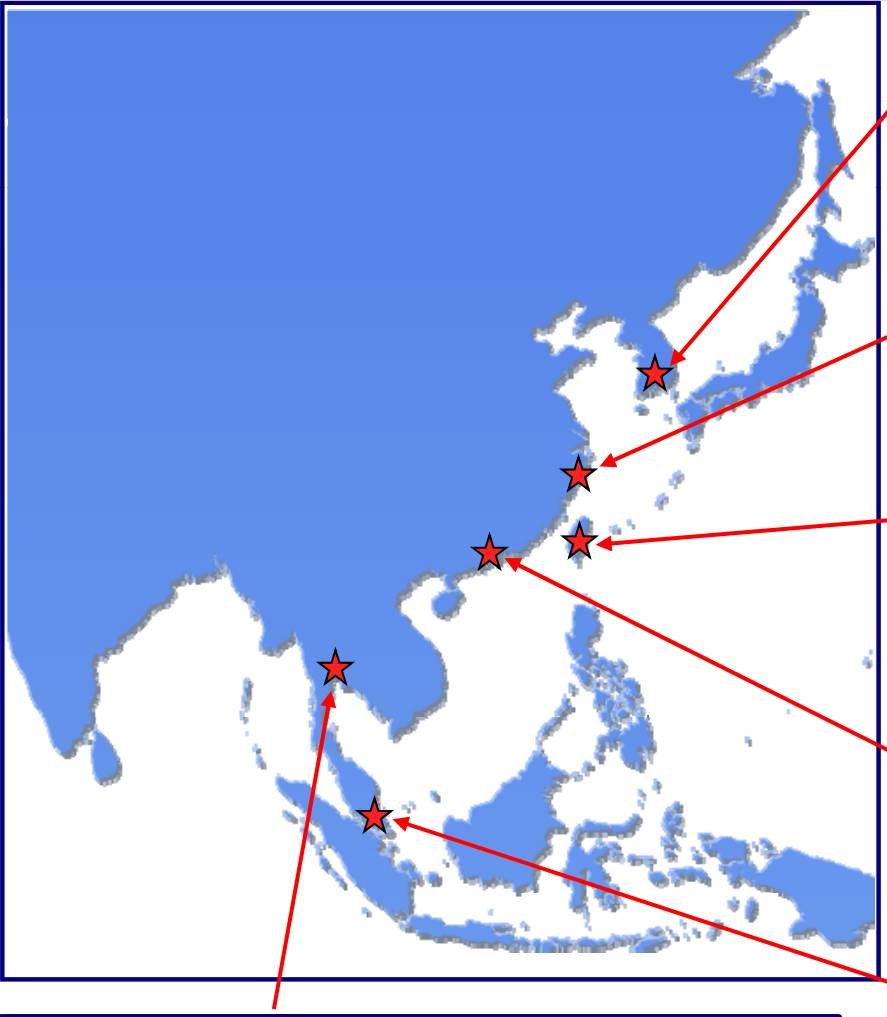
Effects of foreign exchange

Impact during FY2012 (compared to previous year)

	Pharmaceutical business	Bio-Chemical business	Consolidated
Net sales	-¥0.2bn	-¥1.2bn	-¥1.4bn
Operating income	-¥0.3bn	-¥0.8bn	-¥1.1bn

Pharmaceutical businesses in Asia

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Pharmaceutical business across Asia	Consolidated subsidiaries	MRs	Net sales Products
	South Korea Est. May 1991 Kyowa Hakko Kirin Korea Co.,Ltd.	27	¥2.9 bn Nesp,Gran,Renagel,Regpara Busulfex,Leunase, Mitomycin C,Nplate
	China Est. Jun. 1997 Kyowa Hakko Kirin China Pharmaceutical Co., Ltd.	124	¥2.9 bn Gran,Espo,Busulfex,Coniel, Mitomycin C,Leunase, Allelock
	Taiwan Est. Apr. 1992 Kyowa Hakko Kirin (Taiwan) Co.,Ltd.	19	¥2.1 bn Nesp, Gran,Regpara, Mitomycin C,Busulfex, Leunase,Neulasta
	Hong Kong Est. Aug. 1993 Kyowa Hakko Kirin (Hong Kong) Co., Ltd.	6	¥0.5 bn Aranesp, Renagel,Regpara, Mitomycin C, Leunase, Busulfex,Nplate
	Singapore Est. Mar. 2005 Kyowa Hakko Kirin (Singapore) Pte.Ltd.	7	¥0.3 bn Gran, Nesp,Busulfex, Mitomycin C,Regpara , Peglasta,Leunase,Nplate
Thailand (non-consolidated) Kyowa Hakko Kirin (Thailand) Co.Ltd.	(As of Dec. 31, 2012)		

Asian markets: Development and sales (1) **KYOWA KIRIN**

⊙: Launched ○: Approved ☆: Filed

(As of January 24, 2013)

	Korea	China	Taiwan	Hong Kong	Singapore	Thailand	Malaysia	Philippines	Indonesia	Vietnam
Espo		⊙								
Nesp	⊙	Phase 2	⊙	○	⊙	⊙	⊙	○		
Aranesp				⊙						
Renagel	⊙			⊙						
Gran	⊙	⊙	⊙		⊙	⊙	⊙	○		⊙
Peglasta					⊙	⊙	⊙	⊙		○
Neulasta	○		⊙							
Nplate	⊙		○	⊙	⊙		⊙			
Busulfex	⊙	⊙	⊙	⊙	⊙	⊙	⊙			
Regpara	⊙	☆	⊙	⊙	⊙	☆	☆	☆		

 In development since Dec. 2011

Asian markets: Development and sales (2) **KYOWA KIRIN**

⊙: Launched ○: Approved ☆: Filed

(As of January 24, 2013)

	Korea	China	Taiwan	Hong Kong	Singapore	Thailand	Malaysia	Philippines	Indonesia	Vietnam
Mitomycin C	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Leunase	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Coniel	⊙	⊙	⊙					⊙		
Allelock	⊙	⊙								
Sancuso			○	☆	☆		☆			
ARQ 197 Gastric Cancer	Phase 2 (MRCT)*1									
KHK4563	Phase 2 (MRCT)*1									
KW - 2478								Phase 1/2 (MRCT)*1		
KRN321 MDS *2	Phase 2 (MRCT)*1									
KHK2898					Phase 1					

 In development since Dec. 2011

* 1 M R C T : Multi Region Clinical Trial

* 2 KRN321 M D S : Nesp therapy targeting anemia after myelodysplastic syndrome