

## Segment information

### (1) Segment information by business type

Fiscal year: April 1, 2008 – March 31, 2009

Millions of yen

	Pharmaceuticals	Bio-Chemicals	Chemicals	Food	Other	Total	Elimination/ Corporate	Consolidated
I. Net Sales:								
(1) Sales to external customers	209,759	77,875	77,686	38,357	56,504	460,183	--	460,183
(2) Inter-segment sales and transfers	688	10,589	11,517	4,110	12,229	39,135	(39,135)	--
Total	210,448	88,464	89,204	42,468	68,733	499,319	(39,135)	460,183
Operating expenses	175,616	80,122	89,251	41,381	67,368	454,011	(39,214)	414,796
Operating income	34,832	8,342	(47)	1,086	1,094	45,308	78	45,387
II. Assets, Depreciation expenses and Capital outlays								
Assets	383,934	140,255	75,762	15,949	26,939	642,841	56,200	699,041
Depreciation expenses	8,394	5,026	4,218	998	149	18,787	(7)	18,779
Impairment losses	3,483	179	--	2,061	--	--	--	5,724
Capital outlays	9,641	5,376	4,358	565	102	20,045	(1,521)	18,523

#### Notes:

- The segmental classification is based on the business administration divisions of the Kyowa Hakko Kirin Group. The main products of each segment are as follows:  
 Pharmaceuticals: Ethical pharmaceuticals and diagnostics reagents  
 Bio-Chemicals: Pharmaceutical and industrial-use raw materials, healthcare products, agrochemicals and products for livestock and fisheries industries, and alcohol  
 Chemicals: Solvents, plasticizer raw materials, and specialty chemicals  
 Food: Seasonings, bakery products and ingredients, and processed food  
 Other: Wholesale and distribution
- Entire company assets included within Elimination/Corporate are ¥64,419 million and mainly comprise excess working capital (cash and marketable securities) and long-term investments (investment securities) at the parent company.
- As of the current consolidated fiscal year, and following the application of Accounting Standards Related to the Evaluation of Inventory Assets (Accounting Standards Board of Japan, Article 9, July 5, 2006), "operating expenses in each segment decreased as follows in comparison to the accounting methods used in the previous fiscal year: Pharmaceuticals: ¥23 million; Bio-Chemicals: ¥247 million; Chemicals: ¥945 million; Food: ¥90 million; Other: ¥15 million.
- As regards Kyowa Hakko Food Specialties Co., Ltd. and its three subsidiaries (Kyowa F.D. Foods Co., Ltd., Ohland Foods Co., Ltd., and Kyowa HiFoods Co. Ltd.), on March 31, 2009 Kyowa Hakko Kirin sold a portion of shares held in Kyowa Hakko Food Specialties Co., Ltd. and therefore it has become an affiliate accounted for by the equity method. However, since the change occurred on the final day of the current consolidated fiscal year, only the income statement of Kyowa Hakko Food Specialties Co., Ltd. has been consolidated. Also, as a result of the application of the equity method to this affiliate the value of assets of the Food business for fiscal 2008 is recorded as the amount of the investment in this business.

## Segment information by business type (continued)

Fiscal year: April 1, 2007 – March 31, 2008

Millions of yen

	Pharmaceuticals	Bio-Chemicals	Chemicals	Food	Other	Total	Elimination/ Corporate	Consolidated
I. Net Sales:								
(1) Sales to external customers	138,050	78,045	100,068	39,357	36,598	392,119	--	392,119
(2) Inter-segment sales and transfers	327	8,774	7,938	3,966	12,400	33,407	(33,407)	--
Total	138,377	86,820	108,007	43,324	48,998	425,527	(33,407)	392,119
Operating expenses	118,415	77,131	100,837	41,747	48,160	386,293	(33,563)	352,729
Operating income	19,961	9,688	7,169	1,576	838	39,234	155	39,390
II. Assets, Depreciation expenses and Capital outlays								
Assets	115,559	105,525	83,197	33,008	20,589	357,880	36,200	394,081
Depreciation expenses	3,946	5,540	3,771	977	119	14,356	(9)	14,346
Impairment losses	375	1,615	--	273	--	2,264	--	2,264
Capital outlays	4,233	4,191	4,345	1,954	70	14,795	--	14,795

### Notes:

- The segmental classification is based on the business administration divisions of the Kyowa Hakko group. The main products of each segment are as follows:  
 Pharmaceuticals: Ethical pharmaceuticals and diagnostics reagents  
 Bio-Chemicals: Pharmaceutical and industrial-use raw materials, healthcare products, agrochemicals and products for livestock and fisheries industries, and alcohol  
 Chemicals: Solvents, plasticizer raw materials, and specialty chemicals  
 Food: Seasonings, bakery products and ingredients, and processed food  
 Other: Wholesale and distribution
- Entire company assets included within Elimination/Corporate are ¥45,833 million and mainly comprise excess working capital (cash and marketable securities) and long-term investments (investment securities) at the parent company.
- Following changes to the accounting methods for depreciation, operating expenses in each segment increased as follows in comparison to the accounting methods used in the previous fiscal year: Pharmaceuticals: ¥147 million; Bio-Chemicals: ¥112 million; Chemicals: ¥199 million; Food: ¥44 million; Other: ¥1 million. In each segment operating income decreased by the same amount.

## (2) Segment information by location

April 1, 2008– March 31, 2009

Millions of yen

	Japan	Other regions	Total	Eliminations/ Corporate	Consolidated
1. Net sales and operating income					
Net sales					
(1) Sales to external customers	423,132	37,051	460,183	--	460,183
(2) Inter-segmental sales and transfers	21,020	10,737	31,758	(31,758)	--
Total	444,153	47,789	491,942	(31,758)	460,183
Operating expenses	404,590	41,325	445,915	(31,118)	414,796
Operating income	39,563	6,463	46,026	(639)	45,387
2. Assets	615,653	43,963	659,616	39,424	699,041

Notes:

- The countries and regions have been classified geographically.
- Countries and regions other than Japan, America, Europe and Asia are segmented, however since each of their net sales is less than 10% of total sales they have been grouped together under Other regions.
- The main countries included in regions other than Japan are as follows:
  - America..... North America
  - Europe..... Germany and Italy
  - Asia.....China, Korea, Taiwan, Hong Kong and Singapore
- Entire company assets included within Elimination/Corporate are ¥64,419 million and mainly comprise excess working capital (cash and marketable securities) and long-term investments (investment securities) at the parent company.
- As of the current consolidated fiscal year, following the application of Accounting Standards Related to the Evaluation of Inventory Assets (Accounting Standards Board of Japan, Article 9, July 5, 2006), operating income in Japan decreased ¥1,323 million compared to use of the previously applied method.

### April 1, 2007 – March 31, 2008

As Japan represented over 90% of total sales and assets this information is omitted.

## (3) Overseas Sales

April 1, 2008 – March 31, 2009

Millions of yen

	America	Europe	Asia	Other Regions	Total
(1) Overseas sales	31,023	22,631	34,254	860	88,770
(2) Consolidated sales					460,183
(3) Overseas sales as a percentage of consolidated sales	6.7%	4.9%	7.4%	0.2%	19.3%

### April 1, 2007 – March 31, 2008

Millions of yen

	America	Europe	Asia	Other Regions	Total
(1) Overseas sales	23,149	22,475	29,052	539	75,217
(2) Consolidated sales					392,119
(3) Overseas sales as a percentage of consolidated sales	5.9%	5.7%	7.4%	0.1%	19.2%

Notes:

- The regions have been classified geographically.
- Regions other than Japan are as follows:
  - America..... North America and Latin America
  - Europe..... All of Europe
  - Asia.....All of Asia
  - Other Regions.... Oceania and Africa
- Overseas sales comprise sales by Kyowa Hakko Kirin and its consolidated subsidiaries to customers outside of Japan.