

# Kyowa Hakko Kirin Co., Ltd.

## Appendix to the Consolidated Financial Summary (JGAAP) Fiscal 2017 First Quarter

(January 1, 2017 - March 31, 2017)

- These materials were made as a supplement to the Kessan Tanshin (Consolidated Financial Summary, JGAAP), disclosed at the Tokyo Stock Exchange on April 27, 2017 for the first three months of Fiscal 2017, from January 1, 2017 to March 31, 2017.
- 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.

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The average exchange rate for each period was as follows:

*Unit: Yen*

	FY 2016 results				FY 2017 results				FY 2017 forecasts
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
USD	117	114	111	109	115				110
EUR	128	127	123	121	122				120
GBP	169	165	156	150	143				140

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**I. Consolidated Financial Results**
**1. Trends in consolidated income**

Accumulative

Unit: Billions of yen, rounded down

	FY 2016 results				FY 2017 results					FY 2017 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Change amount	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec	%
Net sales	88.4	174.0	257.7	343.0	90.9	2.4	-	-	-	344.0	100%
Gross profit	51.7	103.8	155.8	208.4	55.8	4.1	-	-	-	214.0	-
Selling, general and administrative expenses	43.2	88.4	129.0	176.8	41.1	(2.0)	-	-	-	179.0	-
Operating income	8.5	15.3	26.8	31.6	14.7	6.1	-	-	-	35.0	111%
Non-operating income	0.9	2.7	1.9	3.7	1.0	0.0	-	-	-	-	-
Non-operating expenses	1.6	4.3	6.1	8.9	2.0	0.4	-	-	-	-	-
Ordinary income	7.8	13.6	22.6	26.3	13.6	5.8	-	-	-	30.0	114%
Extraordinary income	4.3	4.4	4.4	4.7	0.6	(3.7)	-	-	-	-	-
Extraordinary losses	-	-	0.2	0.8	-	-	-	-	-	-	-
Profit before income taxes	12.1	18.1	26.8	30.2	14.2	2.1	-	-	-	30.0	99%
Total income taxes	4.7	7.4	10.4	11.6	5.8	1.0	-	-	-	-	-
Profit	7.3	10.7	16.4	18.6	8.4	1.0	-	-	-	19.0	102%
Amortization of goodwill	3.2	6.4	9.5	12.6	3.1	(0.1)	-	-	-	12.5	-
Share of profit/loss of entities accounted for using equity method	(1.0)	(2.0)	(4.9)	(6.0)	(1.3)	(0.2)	-	-	-	(5.0)	-
Core operating income*	10.7	19.7	31.4	38.2	16.5	5.7	-	-	-	42.5	111%
EPS prior to amortization of goodwill (¥/share)	19.49	31.53	47.61	57.22	21.21	1.72	-	-	-	57.56	101%
ROE prior to amortization of goodwill (%)	-	-	-	5.2	-	-	-	-	-	-	-

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

**Quarterly**

Unit: Billions of yen, rounded down

	FY 2016 results				FY 2017 results				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Change amount	Apr - Jun	Jul - Sep	Oct - Dec
Net sales	88.4	85.5	83.7	85.2	90.9	2.4	-	-	-
Gross profit	51.7	52.1	52.0	52.6	55.8	4.1	-	-	-
Selling, general and administrative expenses	43.2	45.2	40.5	47.8	41.1	(2.0)	-	-	-
Operating income	8.5	6.8	11.4	4.8	14.7	6.1	-	-	-
Non-operating income	0.9	1.7	(0.8)	1.8	1.0	0.0	-	-	-
Non-operating expenses	1.6	2.7	1.7	2.8	2.0	0.4	-	-	-
Ordinary income	7.8	5.8	8.9	3.7	13.6	5.8	-	-	-
Extraordinary income	4.3	0.1	-	0.2	0.6	(3.7)	-	-	-
Extraordinary losses	-	-	0.2	0.5	-	-	-	-	-
Profit before income taxes	12.1	6.0	8.7	3.4	14.2	2.1	-	-	-
Total income taxes	4.7	2.6	3.0	1.2	5.8	1.0	-	-	-
Profit	7.3	3.3	5.7	2.1	8.4	1.0	-	-	-
Amortization of goodwill	3.2	3.2	3.0	3.0	3.1	(0.1)	-	-	-
Share of profit/loss of entities accounted for using equity method	(1.0)	(1.0)	(2.8)	(1.1)	(1.3)	(0.2)	-	-	-
Core operating income	10.7	9.0	11.7	6.7	16.5	5.7	-	-	-

I. Consolidated Financial Results

2. Trends in results by segment

(1) Reportable segment

Accumulative

Unit: Billions of yen, rounded down

	FY 2016 results				FY 2017 results					FY 2017 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Change amount	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec	%
Net sales	88.4	174.0	257.7	343.0	90.9	2.4	-	-	-	344.0	100%
Pharmaceuticals	68.0	132.2	196.4	263.2	71.5	3.4	-	-	-	264.0	100%
Elimination of inter-segment sales	(0.2)	(0.4)	(0.5)	(0.7)	(0.2)	0.0	-	-	-	(1.0)	-
Bio-Chemicals	21.2	43.1	63.6	83.6	20.3	(0.8)	-	-	-	83.0	99%
Elimination of inter-segment sales	(0.5)	(0.9)	(1.7)	(3.1)	(0.7)	(0.1)	-	-	-	(2.0)	-
Operating income	8.5	15.3	26.8	31.6	14.7	6.1	-	-	-	35.0	111%
Pharmaceuticals	5.9	11.6	22.0	26.3	12.9	7.0	-	-	-	29.0	110%
Bio-Chemicals	2.3	3.4	4.7	5.3	1.7	(0.6)	-	-	-	6.0	113%
Eliminations	0.3	0.1	0.0	0.0	0.0	(0.2)	-	-	-	-	-
Core operating income	10.7	19.7	31.4	38.2	16.5	5.7	-	-	-	42.5	111%
Pharmaceuticals	7.9	15.7	26.2	32.3	14.5	6.6	-	-	-	35.9	111%
Bio-Chemicals	2.4	3.7	5.2	5.9	1.8	(0.6)	-	-	-	6.6	111%
Eliminations	0.3	0.1	0.0	0.0	0.0	(0.2)	-	-	-	-	-

Quarterly

Unit: Billions of yen, rounded down

	FY 2016 results				FY 2017 results				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Change amount	Apr - Jun	Jul - Sep	Oct - Dec
Net sales	88.4	85.5	83.7	85.2	90.9	2.4	-	-	-
Pharmaceuticals	68.0	64.2	64.1	66.8	71.5	3.4	-	-	-
Elimination of inter-segment sales	(0.2)	(0.2)	(0.1)	(0.2)	(0.2)	0.0	-	-	-
Bio-Chemicals	21.2	21.9	20.5	19.9	20.3	(0.8)	-	-	-
Elimination of inter-segment sales	(0.5)	(0.3)	(0.8)	(1.3)	(0.7)	(0.1)	-	-	-
Operating income	8.5	6.8	11.4	4.8	14.7	6.1	-	-	-
Pharmaceuticals	5.9	5.7	10.3	4.2	12.9	7.0	-	-	-
Bio-Chemicals	2.3	1.1	1.2	0.5	1.7	(0.6)	-	-	-
Eliminations	0.3	(0.1)	(0.1)	(0.0)	0.0	(0.2)	-	-	-
Core operating income	10.7	9.0	11.7	6.7	16.5	5.7	-	-	-
Pharmaceuticals	7.9	7.8	10.4	6.0	14.5	6.6	-	-	-
Bio-Chemicals	2.4	1.3	1.4	0.7	1.8	(0.6)	-	-	-
Eliminations	0.3	(0.1)	(0.1)	(0.0)	0.0	(0.2)	-	-	-

(2) Sales by geographic region

Unit: Billions of yen, rounded down

	FY 2016 results					FY 2017 results					FY 2017 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Percentage of consolidated sales	Jan - Mar	Percentage of consolidated sales	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec	Percentage of consolidated sales
Japan	63.1	123.8	184.8	246.7	71.9%	60.1	66.1%	-	-	-	237.4	69.0%
International	25.2	50.2	72.8	96.2	28.1%	30.8	33.9%	-	-	-	106.5	31.0%
Americas	5.9	10.0	13.9	17.7	5.2%	7.5	8.3%	-	-	-	24.9	7.3%
Europe	12.2	25.2	36.9	49.1	14.3%	15.8	17.4%	-	-	-	50.0	14.5%
Asia	6.8	14.4	21.1	28.1	8.2%	7.1	7.9%	-	-	-	30.6	8.9%
Others	0.1	0.4	0.8	1.1	0.3%	0.2	0.3%	-	-	-	0.9	0.3%
Total consolidated net sales	88.4	174.0	257.7	343.0	100%	90.9	100.0%	-	-	-	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 2016 results				FY 2017 results				FY 2017 forecasts
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
R&D expenses	13.7	27.2	38.8	53.8	11.7	-	-	-	52.9
<i>R&amp;D to net sales ratio</i>	15.5%	15.7%	15.1%	15.7%	13.0%	-	-	-	15.4%
Pharmaceuticals	12.9	25.6	36.4	50.5	11.0	-	-	-	49.4
<i>R&amp;D to net sales ratio</i>	19.1%	19.4%	18.6%	19.2%	15.5%	-	-	-	18.7%
Bio-Chemicals	0.7	1.5	2.3	3.2	0.7	-	-	-	3.4

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

	FY 2016 results				FY 2017 results				FY 2017 forecasts
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
Capital expenditures	3.9	8.5	15.8	20.7	2.1	-	-	-	16.6
Pharmaceuticals	2.6	5.9	10.3	12.8	1.0	-	-	-	8.7
Bio-Chemicals	1.2	2.6	5.4	7.9	1.1	-	-	-	7.9

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

	FY 2016 results				FY 2017 results				FY 2017 forecasts
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
Depreciation	5.7	11.7	17.2	23.0	5.4	-	-	-	22.0
<i>Amortization of intangible assets</i>	2.4	4.8	6.9	9.0	2.0	-	-	-	7.2
Pharmaceuticals	4.0	8.2	12.1	16.1	3.8	-	-	-	15.2
<i>Amortization of intangible assets</i>	2.3	4.8	6.9	9.0	2.0	-	-	-	7.2
Bio-Chemicals	1.7	3.4	5.1	6.8	1.6	-	-	-	6.8

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

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

	FY 2016 results				FY 2017 results				FY 2017 forecasts
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
Amortization of goodwill	3.2	6.4	9.5	12.6	3.1	-	-	-	12.5
Pharmaceuticals	3.1	6.1	9.1	12.0	2.9	-	-	-	11.9
Bio-Chemicals	0.1	0.3	0.4	0.6	0.1	-	-	-	0.6

II. Consolidated Balance Sheets

Unit: Billions of yen, rounded down

	FY 2015	FY 2016				FY 2017				
	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Change from previous year end	Jun 30	Sep 30	Dec 31
<b>Assets</b>	<b>720.7</b>	<b>702.5</b>	<b>686.5</b>	<b>677.2</b>	<b>697.1</b>	<b>691.7</b>	<b>(5.3)</b>	-	-	-
Current assets	324.4	310.3	311.5	311.9	326.4	330.8	4.3	-	-	-
Cash and deposits	13.2	13.2	10.9	11.8	13.0	16.2	3.2	-	-	-
Notes and accounts receivable - trade	106.8	106.9	100.7	96.2	100.9	96.8	(4.1)	-	-	-
Inventories	84.8	83.4	78.2	76.6	76.2	75.7	(0.5)	-	-	-
Deferred tax assets	11.1	10.7	10.5	10.3	10.8	11.0	0.2	-	-	-
Short-term loans receivable	96.1	87.3	98.7	107.8	114.8	120.2	5.3	-	-	-
Accounts receivable - other	7.6	4.3	3.9	4.2	5.9	6.1	0.2	-	-	-
Other	4.6	4.2	8.3	4.6	4.5	4.4	(0.1)	-	-	-
Non-current assets	396.3	392.2	374.9	365.2	370.6	360.9	(9.7)	-	-	-
Property, plant and equipment	147.0	145.8	144.8	147.6	151.0	148.1	(2.8)	-	-	-
Buildings and structures	49.4	48.6	47.5	50.2	51.4	50.5	(0.8)	-	-	-
Machinery, equipment and vehicles	30.6	29.7	27.7	28.3	29.2	28.4	(0.7)	-	-	-
Land	46.6	46.3	46.1	45.9	45.6	44.4	(1.2)	-	-	-
Other	20.3	21.1	23.2	23.0	24.6	24.7	0.0	-	-	-
Intangible assets	212.8	210.7	192.6	183.7	185.0	178.4	(6.5)	-	-	-
Goodwill	155.8	148.6	140.1	135.3	134.9	131.1	(3.7)	-	-	-
Sales right	56.2	61.4	52.0	47.7	49.4	46.6	(2.7)	-	-	-
Other	0.7	0.6	0.5	0.5	0.7	0.6	(0.0)	-	-	-
Investments and other assets	36.4	35.6	37.4	33.8	34.6	34.3	(0.2)	-	-	-
Investment securities	14.0	12.5	13.1	10.7	11.4	10.9	(0.5)	-	-	-
Net defined benefit asset	6.9	7.5	8.3	8.7	6.5	7.0	0.4	-	-	-
Deferred tax assets	10.3	10.3	9.8	9.3	11.4	11.3	(0.1)	-	-	-
Other	5.1	5.2	6.0	5.1	5.1	5.0	(0.0)	-	-	-
<b>Liabilities</b>	<b>105.9</b>	<b>97.0</b>	<b>91.5</b>	<b>86.2</b>	<b>96.4</b>	<b>91.4</b>	<b>(4.9)</b>	-	-	-
Current liabilities	84.8	79.0	74.7	70.3	79.4	75.3	(4.0)	-	-	-
Notes and accounts payable - trade	19.0	23.2	17.2	17.7	18.2	21.5	3.3	-	-	-
Short-term loans payable	4.8	4.8	4.8	4.8	5.3	5.5	0.2	-	-	-
Accounts payable - other	39.8	33.3	36.3	29.7	37.6	28.5	(9.0)	-	-	-
Income taxes payable	11.8	4.5	6.8	5.2	8.1	6.1	(2.0)	-	-	-
Provision	2.7	5.7	2.2	5.5	2.3	5.7	3.4	-	-	-
Other	6.4	7.1	7.2	7.1	7.6	7.6	(0.0)	-	-	-
Non-current liabilities	21.0	17.9	16.7	15.9	17.0	16.1	(0.8)	-	-	-
Deferred tax liabilities	12.0	10.7	9.7	8.6	9.1	8.8	(0.2)	-	-	-
Net defined benefit liability	1.8	1.7	1.7	1.7	2.3	2.1	(0.1)	-	-	-
Provision	3.2	3.2	3.0	3.0	2.9	2.9	-	-	-	-
Other	3.9	2.2	2.2	2.5	2.5	2.0	(0.4)	-	-	-
<b>Net assets</b>	<b>614.8</b>	<b>605.5</b>	<b>595.0</b>	<b>590.9</b>	<b>600.7</b>	<b>600.3</b>	<b>(0.3)</b>	-	-	-
Shareholders' equity	594.9	595.5	598.9	597.7	599.9	601.7	1.7	-	-	-
Capital stock	26.7	26.7	26.7	26.7	26.7	26.7	-	-	-	-
Capital surplus	509.1	509.1	509.1	509.1	509.1	509.1	0.0	-	-	-
Retained earnings	85.9	86.5	89.9	88.7	90.9	92.6	1.6	-	-	-
Treasury shares	(26.8)	(26.8)	(26.8)	(26.8)	(26.8)	(26.8)	0.0	-	-	-
Accumulated other comprehensive income	19.4	9.5	(4.3)	(7.3)	0.2	(1.8)	(2.0)	-	-	-
Valuation difference on available-for-sale securities	2.9	2.1	1.5	1.8	2.0	2.1	0.0	-	-	-
Foreign currency translation adjustment	18.8	9.7	(3.8)	(7.2)	2.3	0.0	(2.3)	-	-	-
Remeasurements of defined benefit plans	(2.3)	(2.2)	(2.1)	(1.9)	(4.2)	(4.0)	0.2	-	-	-
Subscription rights to shares	0.4	0.4	0.4	0.5	0.5	0.5	(0.0)	-	-	-
<b>Total liabilities and net assets</b>	<b>720.7</b>	<b>702.5</b>	<b>686.5</b>	<b>677.2</b>	<b>697.1</b>	<b>691.7</b>	<b>(5.3)</b>	-	-	-

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

	FY 2016 results				FY 2017 results					FY 2017 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Change amount	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec	%
Net sales	68.0	132.2	196.4	263.2	71.5	3.4	-	-	-	264.0	100%
Japan	52.0	101.4	151.8	202.8	49.5	(2.5)	-	-	-	194.0	96%
International	15.9	30.8	44.6	60.4	22.0	6.0	-	-	-	69.9	116%
International sales ratio	23%	23%	23%	23%	31%	-	-	-	-	27%	-
Americas	3.0	4.4	6.1	8.1	5.0	2.0	-	-	-	14.4	177%
Europe	8.8	17.8	25.9	35.2	12.4	3.6	-	-	-	36.7	104%
Asia	3.9	8.2	12.2	16.3	4.3	0.3	-	-	-	18.3	112%
Others	0.0	0.2	0.3	0.5	0.1	0.0	-	-	-	0.4	69%
Gross profit	44.2	89.7	135.5	182.3	49.1	4.9	-	-	-	186.0	102%
Selling, general and administrative expenses	38.3	78.0	113.5	156.0	36.1	(2.1)	-	-	-	157.0	-
Operating income	5.9	11.6	22.0	26.3	12.9	7.0	-	-	-	29.0	110%

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

	FY 2016 results				FY 2017 results					FY 2017 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Change amount	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec	%
Net sales	21.2	43.1	63.6	83.6	20.3	(0.8)	-	-	-	83.0	99%
Japan	11.8	23.7	35.4	47.8	11.5	(0.2)	-	-	-	46.4	97%
International	9.3	19.4	28.2	35.8	8.8	(0.5)	-	-	-	36.6	102%
International sales ratio	44%	45%	44%	43%	43%	-	-	-	-	44%	-
Americas	2.8	5.5	7.8	9.5	2.4	(0.4)	-	-	-	10.5	110%
Europe	3.4	7.4	10.9	13.8	3.3	(0.1)	-	-	-	13.3	96%
Asia	2.9	6.1	8.9	11.7	2.8	(0.0)	-	-	-	12.3	104%
Others	0.1	0.2	0.5	0.6	0.1	0.0	-	-	-	0.5	81%
Gross profit	7.3	14.0	20.3	26.2	6.7	(0.5)	-	-	-	28.0	107%
Selling, general and administrative expenses	4.9	10.5	15.5	20.9	5.0	0.0	-	-	-	22.0	-
Operating income	2.3	3.4	4.7	5.3	1.7	(0.6)	-	-	-	6.0	113%

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

(1) Kyowa Kirin International (GBP)

Unit: Millions of GBP, rounded down

	FY 2016 results				FY 2017 results					FY 2017 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Change amount	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec	%
Net sales	60.6	122.2	185.0	251.6	61.5	0.8	-	-	-	254.7	101%
Cancer pain											
<b>Abstral</b>	15.7	32.1	50.2	70.8	20.4	4.7	-	-	-	77.9	110%
Cancer pain											
<b>PecFent</b>	5.9	12.4	19.0	26.7	7.3	1.4	-	-	-	33.9	127%
Anticancer											
<b>Mitomycin-C</b>	4.4	9.2	13.7	17.7	4.2	(0.1)	-	-	-	11.7	66%
Chemotherapy-induced nausea and vomiting drug											
<b>Sancuso</b>	3.8	8.7	13.8	20.4	4.3	0.4	-	-	-	21.7	106%
Opioid-induced constipation (OIC)											
<b>Moventig</b>	-	0.5	1.0	1.7	1.0	1.0	-	-	-	9.0	527%
Replacement therapy with testosterone for male hypogonadism											
<b>Tostran</b>	4.7	8.4	11.9	16.0	3.0	(1.6)	-	-	-	12.2	76%
Relief of pain associated with chronic anal fissures											
<b>Rectogesic</b>	2.9	5.6	8.3	11.3	2.9	0.0	-	-	-	11.0	97%
Osteoporosis drug											
<b>Adcal-D3</b>	5.9	13.1	19.6	26.2	5.6	(0.2)	-	-	-	25.9	99%
<b>Others</b>	17.0	31.7	47.0	60.3	12.3	(4.6)	-	-	-	51.2	85%
Gross profit	47.7	94.6	140.2	190.4	48.8	1.1	-	-	-	192.3	101%
Selling, general and administrative expenses <sup>4</sup>	22.4	49.1	73.5	105.3	30.7	8.2	-	-	-	126.2	-
R&D expenses <sup>1</sup>	4.5	11.3	16.8	25.9	7.2	2.6	-	-	-	30.1	-
EBITDA <sup>2</sup>	20.7	34.1	49.8	59.0	10.8	(9.8)	-	-	-	36.0	61%
Depreciation and amortization <sup>4</sup>	15.8	32.6	49.2	65.8	15.8	0.0	-	-	-	63.5	-
Operating income	4.8	1.4	0.5	(6.7)	(5.0)	(9.8)	-	-	-	(27.4)	-

<sup>1</sup>1. R&D expenses, and depreciation and amortization are not included in selling, general and administrative expenses (Depreciation and amortization = Depreciation + Amortization of goodwill).

<sup>2</sup>2. EBITDA = Operating income + Depreciation and amortization

<sup>3</sup>3. Geographical breakdown of net sales for January– March 2017 is as follows:

UK	Europe (excluding UK)	Americas	Other
25.7%	59.0%	11.8%	3.5%

(2) Kyowa Medex Co., Ltd.

Unit: Billions of yen, rounded down

	FY 2016 results				FY 2017 results					FY 2017 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Change amount	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec	%
Net sales	2.6	5.7	8.8	12.0	2.5	(0.1)	-	-	-	12.3	102%
Japan	1.9	4.6	7.1	9.7	2.3	0.3	-	-	-	10.3	106%
International	0.7	1.0	1.7	2.3	0.2	(0.5)	-	-	-	2.0	87%
International sales ratio	27%	19%	19%	19%	9%	-	-	-	-	17%	-
Gross profit	1.2	2.7	4.3	6.0	1.3	0.0	-	-	-	6.4	107%
Selling, general and administrative expenses	1.3	2.6	3.9	5.3	1.2	(0.0)	-	-	-	5.6	-
Operating income	(0.0)	0.1	0.3	0.7	0.0	0.0	-	-	-	0.8	109%



V. Kyowa Hakko Kirin Net Sales of Main Products

Accumulative

Unit: Billions of yen, rounded down

Indication / Product name	FY 2016 results				FY 2017 results				FY 2017 forecasts		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Change amount	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec	%
ESA formulation <b>Nesp</b>	13.3	27.4	41.6	56.3	12.4	(0.9)	-	-	-	57.2	102%
ESA formulation <b>Espo</b>	0.4	0.8	1.2	1.5	0.3	(0.0)	-	-	-	1.1	76%
Secondary hyperparathyroidism <b>Regpara</b>	4.3	9.4	14.5	19.9	4.5	0.2	-	-	-	17.8	89%
Secondary hyperparathyroidism <b>Rocaltrol</b>	1.1	2.1	3.1	4.2	0.9	(0.1)	-	-	-	3.6	87%
Type-2 diabetes <b>Onglyza</b>	1.2	2.9	4.4	6.2	1.5	0.2	-	-	-	7.7	123%
Cardiovascular (Hypertension & angina pectoris) <b>Coniel</b>	2.0	4.0	5.7	7.5	1.5	(0.4)	-	-	-	6.3	84%
Sustained-duration G-CSF <b>G-Lasta</b>	3.6	7.4	11.1	15.5	3.8	0.1	-	-	-	17.8	115%
G-CSF <b>Gran</b>	1.0	2.0	3.1	4.1	0.7	(0.3)	-	-	-	3.0	74%
Transdermal persistent pain <b>Fentos</b>	1.3	2.9	4.5	6.2	1.3	(0.0)	-	-	-	6.1	98%
Anticancer <b>Poteligeo</b>	0.4	0.9	1.4	1.9	0.4	(0.0)	-	-	-	1.7	91%
Chronic idiopathic thrombocytopenic purpura <b>Romiplate</b>	0.7	1.6	2.4	3.3	0.7	0.0	-	-	-	2.9	88%
Antiallergenic <b>Allelock</b>	6.8	10.8	14.0	18.1	5.6	(1.2)	-	-	-	14.1	78%
Antiallergic eyedrops <b>Patanol</b>	7.3	9.0	10.9	12.9	6.9	(0.3)	-	-	-	12.1	93%
Ulcerative colitis <b>Asacol</b>	1.2	2.4	3.5	4.7	1.0	(0.1)	-	-	-	4.0	85%
Psoriasis vulgaris <b>Dovobet</b>	1.2	2.9	4.1	5.4	1.2	(0.0)	-	-	-	4.8	89%
Psoriasis <b>Lumicef</b>	-	-	0.0	0.0	0.0	0.0	-	-	-	0.9	-
Parkinson's disease <b>Nouriastr</b>	1.4	3.3	5.1	7.2	1.8	0.3	-	-	-	8.7	121%
Antiepileptic <b>Depakene</b>	1.8	3.7	5.5	7.3	1.5	(0.2)	-	-	-	6.6	91%
Gastrointestinal <b>Nauzelin</b>	0.7	1.4	2.1	3.1	0.5	(0.1)	-	-	-	2.5	80%
<b>Technology out-licensing</b>	0.5	0.7	4.1	5.9	4.8	4.3	-	-	-	7.4	126%

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

Quarterly

Unit: Billions of yen, rounded down

Indication / Product name	FY 2016 results				FY 2017 results				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Change amount	Apr - Jun	Jul - Sep	Oct - Dec
ESA formulation <b>Nesp</b>	13.3	14.1	14.1	14.6	12.4	(0.9)	-	-	-
ESA formulation <b>Espo</b>	0.4	0.4	0.3	0.3	0.3	(0.0)	-	-	-
Secondary hyperparathyroidism <b>Regpara</b>	4.3	5.1	5.0	5.4	4.5	0.2	-	-	-
Secondary hyperparathyroidism <b>Rocaltrol</b>	1.1	1.0	1.0	1.0	0.9	(0.1)	-	-	-
Type-2 diabetes <b>Onglyza</b>	1.2	1.6	1.5	1.7	1.5	0.2	-	-	-
Cardiovascular (Hypertension & angina pectoris) <b>Coniel</b>	2.0	1.9	1.7	1.8	1.5	(0.4)	-	-	-
Sustained-duration G-CSF <b>G-Lasta</b>	3.6	3.8	3.7	4.3	3.8	0.1	-	-	-
G-CSF <b>Gran</b>	1.0	1.0	1.0	1.0	0.7	(0.3)	-	-	-
Transdermal persistent pain <b>Fentos</b>	1.3	1.6	1.5	1.6	1.3	(0.0)	-	-	-
Anticancer <b>Poteligeo</b>	0.4	0.4	0.5	0.4	0.4	(0.0)	-	-	-
Chronic idiopathic thrombocytopenic purpura <b>Romiplate</b>	0.7	0.8	0.8	0.8	0.7	0.0	-	-	-
Antiallergenic <b>Allelock</b>	6.8	3.9	3.2	4.0	5.6	(1.2)	-	-	-
Antiallergic eyedrops <b>Patanol</b>	7.3	1.7	1.8	2.0	6.9	(0.3)	-	-	-
Ulcerative colitis <b>Asacol</b>	1.2	1.2	1.1	1.1	1.0	(0.1)	-	-	-
Psoriasis vulgaris <b>Dovobet</b>	1.2	1.6	1.2	1.3	1.2	(0.0)	-	-	-
Psoriasis <b>Lumicef</b>	-	-	0.0	0.0	0.0	0.0	-	-	-
Parkinson's disease <b>Nourias</b>	1.4	1.8	1.8	2.0	1.8	0.3	-	-	-
Antiepileptic <b>Depakene</b>	1.8	1.9	1.7	1.8	1.5	(0.2)	-	-	-
Gastrointestinal <b>Nauzelin</b>	0.7	0.7	0.6	1.0	0.5	(0.1)	-	-	-
<b>Technology out-licensing</b>	0.5	0.2	3.4	1.7	4.8	4.3	-	-	-

VI. R&D Pipeline

Filed • Approved



antibody



protein



small molecule

As of Mar.31, 2017

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Nephrology		KRN321 Darbepoetin Alfa Injection	Long-Acting Erythropoiesis Stimulating Agent	Renal Anemia (on Dialysis)	NDA in preparation in CN	Kirin-Amgen	
				Renal Anemia	Filed in ID		
				Myelodysplastic Syndromes	Approved in SG Filed in HK, MY		
		KRN1493 Cinacalcet Hydrochloride Oral	Calcium Receptor Agonist	Secondary Hyperparathyroidism	Filed in BN	Licensed from NPS	
Oncology		Granisetron Patch	5-HT <sub>3</sub> Serotonin Receptor Antagonist	Chemotherapy induced Nausea and Vomiting	Filed in MY	Licensed from Solasia Pharma	
Immunology /Allergy		©KHK4563 Benralizumab Injection	Anti-IL-5 Receptor Humanized Antibody	Asthma	Filed in JP	In-House	POTELLIGENT® Jointly Developed with AstraZeneca/MedImmune NDA holder is AstraZeneca
		KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Psoriasis	Filed in TW	Kirin-Amgen	
		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 NDA holder is Zeria Pharma
Other		AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Idiopathic (Immune) Thrombocytopenic Purpura	Approved in TH	Kirin-Amgen	
		©KRN23 burosumab Injection	Anti-FGF23 Fully Human Antibody	X-linked Hypophosphatemia (XLH)	Filed in EU	In-House	Human Antibody-Producing Technology Jointly Developed with Ultragenyx in US and EU

Phase II, Phase III

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Nephrology		©RTA 402 Bardoxolone Methyl Oral	Antioxidant Inflammation Modulator	CKD in Patients with Type 2 Diabetes	Phase II in JP	Licensed from Reata	
		©KHK7580 Evocalcet Oral	Calcium Receptor Agonist	Secondary Hyperparathyroidism	Phase III in JP	Licensed from Mitsubishi Tanabe Pharma	
Oncology		©ARQ 197 Tivantinib Oral	c-Met Inhibitor	Hepatocellular Cancer	Phase III in JP	Licensed from ArQule	
		KW-0761 Mogamulizumab Injection	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		©KHK4083 Injection	Anti-OX40 Fully Human Antibody	Ulcerative colitis	Phase II in US, EU and others	In-House	POTELLIGENT® Human Antibody-Producing Technology
		©KHK4563 Benralizumab Injection	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
		KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Psoriasis	Phase III in KR	Kirin-Amgen	
		©ASKP1240 Bleselumab Injection	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
Central Nervous System		KW-6002 Istradefylline Oral	Adenosine A <sub>2A</sub> Receptor Antagonist	Parkinson's Disease	Phase III in US, CA, EU and others	In-House	
		©KW-6356 Oral	Adenosine A <sub>2A</sub> Receptor Antagonist	Parkinson's Disease	Phase II in JP	In-House	
Other		©KRN23 burosumab Injection	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 III in US, CA, EU, AU, JP, KR		
				Tumor Induced Osteomalacia (TIO)/ Epidermal Nevus Syndrome (ENS)	Phase II in US Phase II in JP and KR		
		AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Aplastic Anemia Idiopathic (Immune) Thrombocytopenic Purpura	Phase II / III in JP and KR Phase III in CN	Kirin-Amgen	

Updated since Jan 24th, 2017 (Area, Stage, Filed, Approved, etc.)

© New Molecular Entity

VI. R&D Pipeline

Ph I



antibody



protein



small molecule

As of Mar.31, 2017

領域		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Oncology		◎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 Human 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	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)							
				Phase I in JP		Combination with Nivolumab (Jointly Developed with Ono Pharmaceutical)	
Immunology/ Allergy		◎KHK4083 Injection	Anti-OX40 Fully Human Antibody	Ulcerative colitis	Phase I in JP	In-House	POTELLIGENT® Human Antibody-Producing Technology
		◎KHK4083 Injection	Anti-OX40 Fully Human Antibody	Ulcerative colitis	Phase I in JP	In-House	POTELLIGENT® Human Antibody-Producing Technology
Central Nervous System		◎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 Jan 24th, 2017 (Area, Stage, Filed, Approved, etc.)  
 ◎ New Molecular Entity

Updated since Jan 24th, 2017 (Area, Stage, Filed, Approved, etc.)

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Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Nephrology		KRN321 Darbepoetin Alfa Injection	Long-Acting Erythropoiesis Stimulating Agent	Myelodysplastic Syndromes	Approved in SG	Kirin-Amgen	
Immunology /Allergy		◎KHK4563 Benralizumab Injection	Anti-IL-5 Receptor Humanized Antibody	Asthma	Filed in JP	In-House	POTELLIGENT® Jointly Developed with AstraZeneca/MedImmune NDA holder is AstraZeneca
		KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Psoriasis	Filed in TW	Kirin-Amgen	
Other		AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Idiopathic (Immune) Thrombocytopenic Purpura	Approved in TH	Kirin-Amgen	

<Appendix>Pipeline of Biosimilar

**Phase III**

As of March 31st 2017

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