

Kyowa Hakko Kirin to Consolidate and Reorganize Research and Development Divisions

Tokyo, Japan, January 31, 2014—Kyowa Hakko Kirin Co., Ltd. (President and CEO: Nobuo Hanai, "Kyowa Hakko Kirin") announced today that it would consolidate and reorganize the research and development divisions, effective 1 April, 2014. After the consolidation, the new division will be called the R&D Division.

The purposes of the reorganization are to advance Kyowa Hakko Kirin's "category-based strategy" and enhance the productivity of its R&D activities. Kyowa Hakko Kirin will implement the following measures in the new division:

- (1) Integrate operations of drug discovery research, project management of development products and value creation research of launched products in each category-based R&D unit.
- (2) Speed up R&D through close collaboration between category-based units and three core functions units corresponding to research technology platform, translational research (TR), and development operation, respectively.
- (3) Enhancing drug discovery and preclinical research through open innovation style utilizing external opportunities.

Within the R&D Division, there will be R&D units for four therapeutic categories that will develop R&D plans and implement these plans for the enhancement of product pipeline in each category. In addition to these category-based R&D units, three function-based units will be formed: the Research Functions Unit, the TR Unit, and the Development Functions Unit. Besides the above mentioned units, there will also be the R&D Planning Department, the Open Innovation Department, Fuji Research Park and Tokyo Research Park. Please refer to the organizational chart below for more details.

Kyowa Hakko Kirin is an R&D-driven pharmaceutical company that strives to satisfy more unmet medical needs through this consolidation.

About Category-based strategy

A core strategy in the 2013–15 medium-term business plan aimed at maximizing business value by focusing on therapeutic categories where Kyowa Hakko Kirin has strength and competitive advantage. Resources are preferentially allocated in the focus categories, and company-wide cooperation is implemented from R&D to manufacturing and marketing. Category-based strategy applies to the four therapeutic categories of nephrology, oncology, immunology & allergy and central nervous system (CNS) disease.

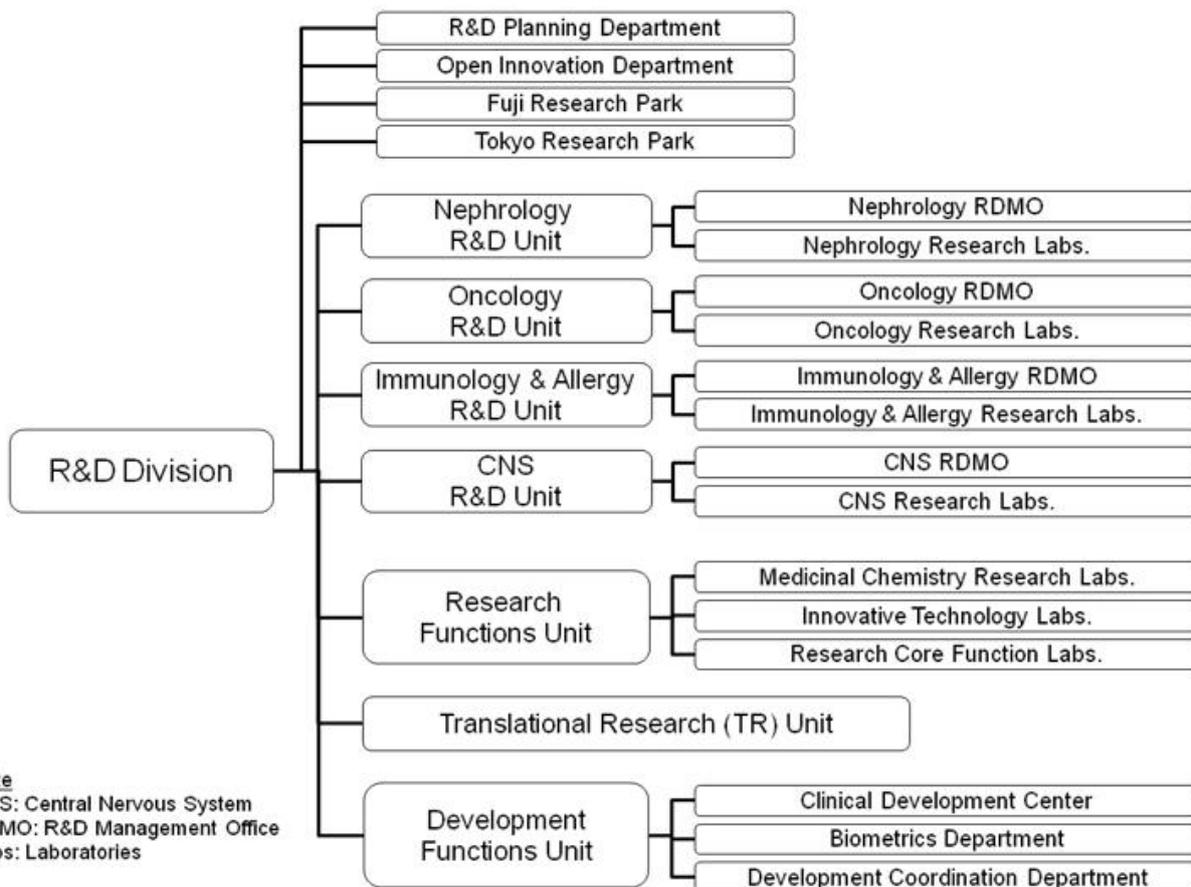
About Translational research

Research that helps bridge gaps between basic science and clinical applications.

About Open innovation

Creating ground-breaking new value by combining external ideas or technologies with those inside the company.

<R&D Division Organization Chart>



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