

Kyowa Hakko Kirin Co., Ltd.

Appendix to the Consolidated Financial Summary Fiscal 2016 Interim

(January 1, 2016 - June 30, 2016)

• These materials were made as a supplement to the Kessan Tanshin (Consolidated Financial Summary), disclosed at the Tokyo Stock Exchange on July 29, 2016 for the first six months of Fiscal 2016, from January 1, 2016 to June 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 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 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	-	-	109
EUR	138	135	135	135	128	127	-	-	121
GBP	183	183	186	185	169	165	-	-	150

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

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 - June	Change amount	%	Jan - Sep	%	Jan - Dec	%	Jan - Dec	%
Net sales	89.5	178.8	272.9	364.3	88.4	99%	174.0	(4.7)	97%	-	-	-	-	344.0	94%
Gross profit	51.9	108.8	170.4	225.3	51.7	100%	103.8	(5.0)	95%	-	-	-	-	211.2	94%
Selling, general and administrative expenses	42.5	86.3	129.5	181.6	43.2	101%	88.4	2.0	102%	-	-	-	-	179.2	99%
Operating income	9.3	22.4	40.8	43.7	8.5	91%	15.3	(7.1)	68%	-	-	-	-	32.0	73%
Non-operating income	1.1	1.8	2.7	2.9	0.9	84%	2.7	0.8	146%	-	-	-	-	-	-
Non-operating expenses	2.4	4.2	6.9	7.4	1.6	68%	4.3	0.1	103%	-	-	-	-	-	-
Ordinary income	8.0	20.0	36.6	39.2	7.8	97%	13.6	(6.3)	68%	-	-	-	-	26.0	66%
Extraordinary income	0.6	0.6	7.5	8.1	4.3	696%	4.4	3.8	725%	-	-	-	-	-	-
Extraordinary losses	0.4	3.4	3.5	5.9	-	-	-	(3.4)	-	-	-	-	-	-	-
Profit before income taxes	8.2	17.2	40.6	41.4	12.1	147%	18.1	0.9	106%	-	-	-	-	30.0	72%
Total income taxes	3.6	7.6	14.6	11.6	4.7	129%	7.4	(0.2)	96%	-	-	-	-	-	-
Profit	4.6	9.5	26.0	29.7	7.3	161%	10.7	1.2	113%	-	-	-	-	18.0	60%
Amortization of goodwill	3.3	6.6	10.0	13.4	3.2	98%	6.4	(0.2)	97%	-	-	-	-	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)	0.2	-	-	-	-	-	(6.5)	-
Core operating income*1	11.5	26.8	47.3	53.4	10.7	93%	19.7	(7.1)	73%	-	-	-	-	38.0	71%
EPS prior to amortization of goodwill (¥/share)	14.53	29.63	66.03	78.95	19.49	134%	31.53	1.90	106%	-	-	-	-	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	Change amount	%	Jul - Sep	%	Oct - Dec	%
Net sales	89.5	89.2	94.1	91.3	88.4	99%	85.5	(3.6)	96%	-	-	-	-
Gross profit	51.9	56.9	61.5	54.9	51.7	100%	52.1	(4.8)	92%	-	-	-	-
Selling, general and administrative expenses	42.5	43.8	43.1	52.0	43.2	101%	45.2	1.4	103%	-	-	-	-
Operating income	9.3	13.1	18.4	2.8	8.5	91%	6.8	(6.3)	52%	-	-	-	-
Non-operating income	1.1	0.7	0.9	0.1	0.9	84%	1.7	1.0	247%	-	-	-	-
Non-operating expenses	2.4	1.8	2.7	0.5	1.6	68%	2.7	0.8	148%	-	-	-	-
Ordinary income	8.0	11.9	16.6	2.5	7.8	97%	5.8	(6.1)	49%	-	-	-	-
Extraordinary income	0.6	-	6.9	0.6	4.3	696%	0.1	0.1	-	-	-	-	-
Extraordinary losses	0.4	3.0	0.0	2.4	-	-	-	(3.0)	-	-	-	-	-
Profit before income taxes	8.2	8.9	23.4	0.7	12.1	147%	6.0	(2.9)	67%	-	-	-	-
Total income taxes	3.6	4.0	6.9	(3.0)	4.7	129%	2.6	(1.3)	66%	-	-	-	-
Profit	4.6	4.9	16.5	3.7	7.3	161%	3.3	(1.5)	68%	-	-	-	-
Amortization of goodwill	3.3	3.3	3.3	3.3	3.2	98%	3.2	(0.1)	96%	-	-	-	-
Share of profit/loss of entities accounted for using equity method	(1.1)	(1.1)	(1.3)	(0.1)	(1.0)	-	(1.0)	0.1	-	-	-	-	-
Core operating income	11.5	15.3	20.4	6.0	10.7	93%	9.0	(6.3)	59%	-	-	-	-

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	Change amount	%	Jan - Sep	%	Jan - Dec	%	Jan - Dec	%
Net sales	89.5	178.8	272.9	364.3	88.4	99%	174.0	(4.7)	97%	-	-	-	-	344.0	94%
Pharmaceuticals	68.0	135.3	208.7	279.2	68.0	100%	132.2	(3.0)	98%	-	-	-	-	264.0	95%
Elimination of inter-segment sales	(0.2)	(0.4)	(0.6)	(0.8)	(0.2)	-	(0.4)	(0.0)	-	-	-	-	-	(1.0)	-
Bio-Chemicals	22.1	45.0	67.1	88.8	21.2	96%	43.1	(1.8)	96%	-	-	-	-	84.0	94%
Elimination of inter-segment sales	(0.3)	(1.0)	(2.2)	(2.9)	(0.5)	-	(0.9)	0.1	-	-	-	-	-	(3.0)	-
Operating income	9.3	22.4	40.8	43.7	8.5	91%	15.3	(7.1)	68%	-	-	-	-	32.0	73%
Pharmaceuticals	7.7	18.5	34.9	36.2	5.9	76%	11.6	(6.8)	63%	-	-	-	-	27.5	76%
Bio-Chemicals	1.4	3.9	6.4	8.1	2.3	159%	3.4	(0.5)	87%	-	-	-	-	4.5	55%
Eliminations	0.0	(0.0)	(0.5)	(0.5)	0.3	325%	0.1	0.2	-	-	-	-	-	-	-
Core operating income	11.5	26.8	47.3	53.4	10.7	93%	19.7	(7.1)	73%	-	-	-	-	38.0	71%
Pharmaceuticals	9.8	22.6	40.9	45.2	7.9	81%	15.7	(6.8)	70%	-	-	-	-	32.9	73%
Bio-Chemicals	1.6	4.3	6.9	8.7	2.4	153%	3.7	(0.5)	88%	-	-	-	-	5.1	59%
Eliminations	0.0	(0.0)	(0.5)	(0.5)	0.3	325%	0.1	0.2	-	-	-	-	-	-	-

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	Change amount	%	Jul - Sep	%	Oct - Dec	%
Net sales	89.5	89.2	94.1	91.3	88.4	99%	85.5	(3.6)	96%	-	-	-	-
Pharmaceuticals	68.0	67.2	73.4	70.5	68.0	100%	64.2	(2.9)	96%	-	-	-	-
Elimination of inter-segment sales	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	-	(0.2)	(0.0)	-	-	-	-	-
Bio-Chemicals	22.1	22.8	22.0	21.7	21.2	96%	21.9	(0.9)	96%	-	-	-	-
Elimination of inter-segment sales	(0.3)	(0.7)	(1.1)	(0.6)	(0.5)	-	(0.3)	0.3	-	-	-	-	-
Operating income	9.3	13.1	18.4	2.8	8.5	91%	6.8	(6.3)	52%	-	-	-	-
Pharmaceuticals	7.7	10.7	16.3	1.2	5.9	76%	5.7	(5.0)	53%	-	-	-	-
Bio-Chemicals	1.4	2.5	2.4	1.6	2.3	159%	1.1	(1.3)	46%	-	-	-	-
Eliminations	0.0	(0.1)	(0.4)	(0.0)	0.3	325%	(0.1)	0.0	-	-	-	-	-
Core operating income	11.5	15.3	20.4	6.0	10.7	93%	9.0	(6.3)	59%	-	-	-	-
Pharmaceuticals	9.8	12.8	18.3	4.2	7.9	81%	7.8	(5.0)	61%	-	-	-	-
Bio-Chemicals	1.6	2.6	2.5	1.8	2.4	153%	1.3	(1.3)	49%	-	-	-	-
Eliminations	0.0	(0.1)	(0.4)	(0.0)	0.3	325%	(0.1)	0.0	-	-	-	-	-

(2) Regional sales

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%	-	-	-	-	246.4	71.6%
International	27.9	56.0	88.4	114.3	31.4%	25.2	28.6%	50.2	28.9%	-	-	-	-	97.5	28.4%
Americas	7.4	13.7	19.5	24.1	6.6%	5.9	6.7%	10.0	5.8%	-	-	-	-	20.9	6.1%
Europe	13.2	26.3	45.5	57.9	15.9%	12.2	13.9%	25.2	14.5%	-	-	-	-	46.8	13.6%
Asia	7.0	15.4	22.6	31.0	8.5%	6.8	7.8%	14.4	8.3%	-	-	-	-	29.1	8.5%
Others	0.2	0.4	0.6	1.0	0.3%	0.1	0.2%	0.4	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%	-	-	-	-	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	-	-	53.6
<i>R&D to net sales ratio</i>	13.5%	13.5%	13.3%	14.2%	15.5%	15.7%	-	-	15.6%
Pharmaceuticals	11.3	22.5	33.8	48.3	12.9	25.6	-	-	50.0
<i>R&D to net sales ratio</i>	16.7%	16.7%	16.2%	17.3%	19.1%	19.4%	-	-	19.0%
Bio-Chemicals	0.7	1.6	2.3	3.2	0.7	1.5	-	-	3.5

(2) Capital expenditure (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 expenditure	5.6	10.2	13.3	19.0	3.9	8.5	-	-	25.0
Pharmaceuticals	2.2	4.6	6.9	10.5	2.6	5.9	-	-	13.9
Bio-Chemicals	3.3	5.6	6.3	8.4	1.2	2.6	-	-	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	-	-	23.9
<i>Amortization of intangible assets</i>	2.6	5.1	7.7	10.2	2.4	4.8	-	-	9.7
Pharmaceuticals	4.0	8.1	12.3	16.5	4.0	8.2	-	-	16.7
<i>Amortization of intangible assets</i>	2.6	5.1	7.6	10.2	2.3	4.8	-	-	9.5
Bio-Chemicals	1.4	3.0	4.8	6.5	1.7	3.4	-	-	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	-	-	12.5
Pharmaceuticals	3.1	6.3	9.6	12.8	3.1	6.1	-	-	11.8
Bio-Chemicals	0.1	0.3	0.4	0.6	0.1	0.3	-	-	0.6

II. Consolidated Balance Sheets

Unit: Billions of yen, rounded down

	FY 2014	FY 2015				FY 2016				
	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Change from previous year end	Sep 30	Dec 31
Assets	719.1	699.8	708.5	708.2	720.7	702.5	686.5	(34.2)	-	-
Current assets	283.1	270.3	278.0	307.4	324.4	310.3	311.5	(12.8)	-	-
Cash and deposits	20.6	16.5	16.2	17.2	13.2	13.2	10.9	(2.3)	-	-
Notes and accounts receivable - trade	108.8	106.2	105.2	100.7	106.8	106.9	100.7	(6.0)	-	-
Inventories	91.2	91.5	90.2	88.1	84.8	83.4	78.2	(6.5)	-	-
Deferred tax assets	10.6	10.2	10.2	9.8	11.1	10.7	10.5	(0.5)	-	-
Short-term loans receivable	41.6	36.2	45.1	80.0	96.1	87.3	98.7	2.5	-	-
Accounts receivable - other	5.3	5.4	5.6	6.2	7.6	4.3	3.9	(3.7)	-	-
Other	4.7	3.9	5.1	5.1	4.6	4.2	8.3	3.7	-	-
Non-current assets	435.9	429.5	430.5	400.7	396.3	392.2	374.9	(21.3)	-	-
Property, plant and equipment	151.8	154.5	152.9	149.8	147.0	145.8	144.8	(2.2)	-	-
Buildings and structures	44.4	45.5	48.2	49.0	49.4	48.6	47.5	(1.8)	-	-
Machinery, equipment and vehicles	22.1	25.8	30.4	29.6	30.6	29.7	27.7	(2.8)	-	-
Land	54.2	54.0	51.0	49.5	46.6	46.3	46.1	(0.4)	-	-
Other	30.9	29.0	23.2	21.6	20.3	21.1	23.2	2.9	-	-
Intangible assets	241.5	228.9	230.6	220.2	212.8	210.7	192.6	(20.1)	-	-
Goodwill	173.2	165.7	166.0	159.9	155.8	148.6	140.1	(15.7)	-	-
Sales right	67.2	62.3	63.8	59.4	56.2	61.4	52.0	(4.2)	-	-
Other	1.0	0.8	0.8	0.7	0.7	0.6	0.5	(0.1)	-	-
Investments and other assets	42.5	46.0	46.9	30.6	36.4	35.6	37.4	1.0	-	-
Investment securities	22.7	27.6	28.4	11.6	14.0	12.5	13.1	(0.8)	-	-
Net defined benefit asset	6.4	5.8	6.1	6.5	6.9	7.5	8.3	1.4	-	-
Deferred tax assets	8.0	7.1	7.0	7.3	10.3	10.3	9.8	(0.5)	-	-
Other	5.2	5.3	5.2	5.0	5.1	5.2	6.0	0.9	-	-
Liabilities	113.7	100.0	97.5	96.0	105.9	97.0	91.5	(14.3)	-	-
Current liabilities	85.1	76.4	74.6	74.8	84.8	79.0	74.7	(10.0)	-	-
Notes and accounts payable - trade	22.7	24.5	17.2	16.3	19.0	23.2	17.2	(1.8)	-	-
Short-term loans payable	4.8	4.9	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	(3.5)	-	-
Income taxes payable	7.7	4.4	8.7	10.3	11.8	4.5	6.8	(4.9)	-	-
Provision	2.7	5.5	2.0	6.3	2.7	5.7	2.2	(0.4)	-	-
Other	7.8	7.0	6.1	6.1	6.4	7.1	7.2	0.8	-	-
Non-current liabilities	28.5	23.5	22.9	21.2	21.0	17.9	16.7	(4.3)	-	-
Deferred tax liabilities	16.2	14.5	13.8	12.1	12.0	10.7	9.7	(2.3)	-	-
Net defined benefit liability	3.7	2.0	2.0	2.0	1.8	1.7	1.7	(0.1)	-	-
Provision	3.4	3.4	3.3	3.3	3.3	3.3	3.1	(0.2)	-	-
Other	5.1	3.5	3.6	3.6	3.7	2.1	2.1	(1.6)	-	-
Net assets	605.3	599.8	611.0	612.1	614.8	605.5	595.0	(19.8)	-	-
Shareholders' equity	580.4	576.8	581.7	591.3	594.9	595.5	598.9	3.9	-	-
Capital stock	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	0.0	-	-
Retained earnings	68.1	67.6	72.5	82.2	85.9	86.5	89.9	3.9	-	-
Treasury shares	(26.6)	(26.6)	(26.7)	(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)	(23.8)	-	-
Valuation difference on available-for-sale securities	2.7	5.1	5.0	2.2	2.9	2.1	1.5	(1.3)	-	-
Foreign currency translation adjustment	24.4	20.1	26.4	20.5	18.8	9.7	(3.8)	(22.6)	-	-
Remeasurements of defined benefit plans	(2.6)	(2.6)	(2.4)	(2.3)	(2.3)	(2.2)	(2.1)	0.2	-	-
Subscription rights to shares	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.0	-	-
Total liabilities and net assets	719.1	699.8	708.5	708.2	720.7	702.5	686.5	(34.2)	-	-

III. Consolidated Statements of Cash Flows

Unit: Billions of yen, rounded down

	FY 2014	FY 2015		FY 2016		Breakdown
	Jan-Dec	Jan-Jun	Jan-Dec	Jan-Jun	Change amount	
Cash flows from operating activities	19.3	22.9	66.5	26.8	3.9	
Profit before income taxes	27.2	17.2	41.4	18.1	0.9	Profit 10.7
Depreciation	23.8	11.2	23.1	11.7	0.4	Tax expenses 7.4
Amortization of goodwill	12.8	6.6	13.4	6.4	(0.2)	Property, plant and equipment 6.8
Increase (decrease) in working capital	(20.1)	(0.5)	3.5	6.1	6.6	Intangible assets 4.8
Income taxes paid	(16.8)	(8.4)	(14.3)	(13.0)	(4.6)	Decrease (increase) in notes and accounts receivable - trade 2.2
Other, net	(7.5)	(3.2)	(0.6)	(2.5)	0.6	Decrease (increase) in inventories 3.0
						Increase (decrease) in notes and accounts payable - trade 0.7
Cash flows from investing activities	16.8	(17.5)	(57.7)	(20.0)	(2.5)	
Purchase of property, plant and equipment	(30.4)	(9.8)	(19.0)	(9.0)	0.8	
Proceeds from sales of property, plant and equipment	0.1	0.0	3.0	3.9	3.8	
Purchase of intangible assets	(4.1)	(0.0)	(1.0)	(8.3)	(8.2)	
Purchase of investment securities	(4.5)	(5.2)	(6.7)	(4.0)	1.2	
Proceeds from sales of investment securities	1.2	0.0	17.9	0.7	0.7	
Proceeds from sales of shares of subsidiaries and associates	1.0	-	-	-	-	
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(14.5)	-	-	-	-	
Net decrease (increase) in short-term loans receivable	68.3	(3.5)	(54.4)	(2.6)	0.9	Short-term loans (exceeding 3 months) to Kirin Holdings
Other, net	(0.3)	1.0	2.4	(0.7)	(1.7)	
Cash flows from financing activities	(37.1)	(7.1)	(14.0)	(7.1)	(0.0)	
Net increase (decrease) in loans payable	(23.4)	(0.0)	0.0	(0.1)	(0.1)	
Purchase of treasury shares	(0.1)	(0.1)	(0.2)	(0.0)	0.0	
Cash dividends paid	(13.6)	(6.8)	(13.6)	(6.8)	0.0	
Other, net	0.0	(0.0)	(0.1)	(0.1)	(0.0)	
Effect of exchange rate change on cash and cash equivalents	(1.2)	(1.5)	1.0	(1.9)	(0.4)	
Net increase (decrease) in cash and cash equivalents	(2.2)	(3.2)	(4.2)	(2.2)	0.9	
Cash and cash equivalents at beginning of period	19.2	17.0	17.0	12.7	(4.2)	
Cash and cash equivalents at end of period*	17.0	13.8	12.7	10.5	(3.2)	

*Cash and deposits in the consolidated balance sheets, cash and cash equivalents at end of period in the consolidated cash flows, and cash reserves at end of period

Cash and deposits (consolidated balance sheets)	20.6	16.2	13.2	10.9
Time deposits whose maturity periods exceed three months	(3.7)	(2.4)	(0.4)	(0.3)
Short-term loans to the parent company not exceeding three months	0.0	0.0	0.0	0.0
Cash and cash equivalents at end of period (consolidated statements of cash flows)	17.0	13.8	12.7	10.5
Time deposits whose maturity periods exceed three months	3.7	2.4	0.4	0.3
Short-term loans to the parent company in excess of three months	41.5	45.0	96.0	98.5
Cash reserves at end of period	62.2	61.2	109.2	109.4

IV. 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	Change amount	%	Jan - Sep	%	Jan - Dec	%	Jan - Dec	%
Net sales	68.0	135.3	208.7	279.2	68.0	100%	132.2	(3.0)	98%	-	-	-	-	264.0	95%
Japan	50.0	100.1	150.6	204.9	52.0	104%	101.4	1.3	101%	-	-	-	-	202.7	99%
International	17.9	35.1	58.1	74.3	15.9	89%	30.8	(4.3)	88%	-	-	-	-	61.2	82%
International sales ratio	26%	26%	28%	27%	23%	-	23%	-	-	-	-	-	-	23%	-
Americas	4.8	8.4	11.6	13.9	3.0	63%	4.4	(4.0)	53%	-	-	-	-	10.8	78%
Europe	8.9	18.1	33.4	42.4	8.8	98%	17.8	(0.2)	98%	-	-	-	-	32.9	78%
Asia	4.0	8.4	12.8	17.4	3.9	99%	8.2	(0.1)	99%	-	-	-	-	17.2	99%
Others	0.1	0.1	0.2	0.4	0.0	72%	0.2	0.0	120%	-	-	-	-	0.2	46%
Gross profit	45.0	93.9	148.2	196.4	44.2	98%	89.7	(4.2)	96%	-	-	-	-	184.9	94%
Selling, general and administrative expenses	37.2	75.3	113.2	160.2	38.3	103%	78.0	2.6	104%	-	-	-	-	157.4	98%
Operating income	7.7	18.5	34.9	36.2	5.9	76%	11.6	(6.8)	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	Change amount	%	Jan - Sep	%	Jan - Dec	%	Jan - Dec	%
Net sales	22.1	45.0	67.1	88.8	21.2	96%	43.1	(1.8)	96%	-	-	-	-	84.0	94%
Japan	12.1	24.1	36.7	48.9	11.8	98%	23.7	(0.4)	98%	-	-	-	-	47.7	98%
International	10.0	20.8	30.3	39.9	9.3	93%	19.4	(1.4)	93%	-	-	-	-	36.3	91%
International sales ratio	45%	46%	45%	45%	44%	-	45%	-	-	-	-	-	-	43%	-
Americas	2.5	5.2	7.9	10.2	2.8	113%	5.5	0.2	105%	-	-	-	-	10.1	99%
Europe	4.3	8.2	12.0	15.5	3.4	81%	7.4	(0.7)	91%	-	-	-	-	13.9	89%
Asia	3.0	7.0	9.8	13.6	2.9	96%	6.1	(0.8)	88%	-	-	-	-	11.9	87%
Others	0.1	0.3	0.4	0.5	0.1	71%	0.2	(0.0)	73%	-	-	-	-	0.4	67%
Gross profit	6.8	15.0	22.7	29.6	7.3	107%	14.0	(1.0)	93%	-	-	-	-	26.3	89%
Selling, general and administrative expenses	5.3	11.0	16.3	21.4	4.9	93%	10.5	(0.5)	95%	-	-	-	-	21.8	102%
Operating income	1.4	3.9	6.4	8.1	2.3	159%	3.4	(0.5)	87%	-	-	-	-	4.5	55%

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

(1) Kyowa Kirin International (GBP)*¹

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	Change amount	%	Jan - Sep	%	Jan - Dec	%	Jan - Dec	%
Net sales	53.7	108.7	163.7	222.0	60.6	113%	122.2	13.4	112%	-	-	-	-	243.9	110%
<i>Cancer pain</i>															
Abstral	12.9	27.5	42.6	60.0	15.7	122%	32.1	4.5	117%	-	-	-	-	67.7	113%
<i>Cancer pain</i>															
PecFent	5.4	10.9	16.9	22.2	5.9	110%	12.4	1.5	114%	-	-	-	-	27.2	123%
<i>Anticancer</i>															
Mitomycin-C	4.6	9.8	14.6	18.5	4.4	95%	9.2	(0.5)	94%	-	-	-	-	17.6	95%
<i>Chemotherapy-induced nausea and vomiting drug</i>															
Sancuso	3.9	8.2	12.7	17.2	3.8	98%	8.7	0.5	107%	-	-	-	-	19.7	114%
<i>Replacement therapy with testosterone for male hypogonadism</i>															
Tostran	5.8	9.2	12.2	17.5	4.7	80%	8.4	(0.8)	91%	-	-	-	-	14.5	83%
<i>Relief of pain associated with chronic anal fissures</i>															
Rectogesic	2.8	5.4	7.9	10.3	2.9	105%	5.6	0.1	103%	-	-	-	-	10.8	105%
<i>Osteoporosis drug</i>															
Adcal-D3	6.7	13.2	20.3	27.2	5.9	88%	13.1	(0.1)	99%	-	-	-	-	26.3	97%
Others	11.3	24.1	36.1	48.6	17.0	151%	32.3	8.1	134%	-	-	-	-	59.8	123%
Gross profit	38.9	81.4	121.2	163.2	47.7	123%	94.6	13.2	116%	-	-	-	-	183.0	112%
Selling, general and administrative expenses ^{*2}	20.8	42.0	61.6	88.1	22.4	108%	49.1	7.0	117%	-	-	-	-	105.7	120%
R&D expenses ^{*2}	1.6	3.0	5.0	6.8	4.5	277%	11.3	8.3	372%	-	-	-	-	22.5	329%
EBITDA ^{*3}	16.4	36.2	54.5	68.2	20.7	126%	34.1	(2.1)	94%	-	-	-	-	54.8	80%
Amortization of goodwill and sales right ^{*2}	15.4	30.6	46.4	61.9	15.8	103%	32.6	1.9	106%	-	-	-	-	65.8	106%
Operating income	1.0	5.6	8.1	6.2	4.8	456%	1.4	(4.1)	27%	-	-	-	-	(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 amortization of goodwill and sales right are not included in selling, general and administrative expenses (Amortization of goodwill and sales right= Depreciation + Amortization of goodwill).

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

*4. Geographical breakdown of net sales for January - June 2016 is as follows:

UK	Europe (excluding UK)	Americas	Other
30.2%	51.0%	17.3%	1.5%

(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	Change amount	%	Jan - Sep	%	Jan - Dec	%	Jan - Dec	%
Net sales	2.5	5.5	8.5	11.7	2.6	106%	5.7	0.1	103%	-	-	-	-	12.1	103%
Japan	2.1	4.6	7.0	9.8	1.9	93%	4.6	0.0	100%	-	-	-	-	9.9	102%
International	0.4	0.9	1.5	1.9	0.7	168%	1.0	0.1	115%	-	-	-	-	2.1	108%
International sales ratio	16%	16%	18%	16%	27%	-	19%	-	-	-	-	-	-	17%	-
Gross profit	1.3	2.9	4.5	6.1	1.2	96%	2.7	(0.2)	92%	-	-	-	-	6.1	100%
Selling, general and administrative expenses	1.2	2.6	4.0	5.3	1.3	102%	2.6	(0.0)	99%	-	-	-	-	5.6	105%
Operating income	0.0	0.3	0.4	0.8	(0.0)	-	0.1	(0.2)	40%	-	-	-	-	0.5	63%

VI. Kyowa Hakko Kirin Net Sales of Main Products

Accumulative

Unit: Billions of yen, rounded down

	FY 2015 results				FY 2016 results								FY2016 forecasts		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	Change amount	%	Jan - Sep	%	Jan - Dec	%	Jan - Dec	%
Kyowa Hakko Kirin total	53.8	105.9	163.6	217.9	53.2	99%	101.9	(4.0)	96%	-	-	-	-	203.6	93%
Indication / Product name															
<i>ESA formulation</i> Nesp	12.3	27.0	42.0	57.5	13.3	109%	27.4	0.3	101%	-	-	-	-	56.5	98%
<i>ESA formulation</i> Espo	0.4	0.9	1.4	1.9	0.4	95%	0.8	(0.1)	88%	-	-	-	-	1.5	83%
<i>Secondary hyperparathyroidism</i> Regpara	3.9	8.5	13.2	18.2	4.3	110%	9.4	0.9	110%	-	-	-	-	19.7	108%
<i>Secondary hyperparathyroidism</i> Rocaltrol	1.0	2.4	3.7	5.1	1.1	101%	2.1	(0.2)	88%	-	-	-	-	4.0	78%
<i>Type-2 diabetes</i> Onglyza	0.8	2.0	3.2	4.8	1.2	150%	2.9	0.9	145%	-	-	-	-	6.6	139%
<i>Cardiovascular (Hypertension & angina pectoris)</i> Coniel	2.4	5.0	7.4	10.0	2.0	83%	4.0	(1.0)	80%	-	-	-	-	7.5	75%
<i>Sustained-duration G-CSF</i> G-Lasta	1.4	3.8	6.7	10.3	3.6	259%	7.4	3.6	195%	-	-	-	-	15.9	154%
<i>G-CSF</i> Gran	1.3	2.8	4.4	5.9	1.0	75%	2.0	(0.8)	72%	-	-	-	-	3.6	62%
<i>Transdermal persistent pain</i> Fentos	1.2	2.8	4.4	6.1	1.3	107%	2.9	0.1	105%	-	-	-	-	6.1	100%
<i>Anticancer</i> Poteligeo	0.4	1.0	1.4	1.9	0.4	98%	0.9	(0.0)	93%	-	-	-	-	1.9	99%
<i>Chronic idiopathic thrombocytopenic purpura</i> Romiplate	0.6	1.3	2.1	3.0	0.7	121%	1.6	0.2	115%	-	-	-	-	3.3	109%
<i>Antiallergenic</i> Allelock	7.8	12.4	16.8	22.1	6.8	88%	10.8	(1.6)	87%	-	-	-	-	17.8	81%
<i>Antiallergic eyedrops</i> Patanol	7.4	8.8	10.7	12.8	7.3	98%	9.0	0.2	102%	-	-	-	-	12.8	101%
<i>Inflammatory bowel disease</i> Asacol	1.3	2.9	4.5	6.1	1.2	86%	2.4	(0.5)	82%	-	-	-	-	4.5	75%
<i>Psoriasis vulgaris</i> Dovobet	0.9	2.1	3.3	4.7	1.2	138%	2.9	0.7	134%	-	-	-	-	5.5	117%
<i>Parkinson's disease</i> Nourias	0.9	2.2	3.6	5.3	1.4	151%	3.3	1.0	148%	-	-	-	-	7.0	132%
<i>Antiepileptic</i> Depakene	2.0	4.2	6.4	8.7	1.8	90%	3.7	(0.5)	87%	-	-	-	-	7.3	84%
<i>Gastrointestinal</i> Nauzelin	0.8	1.7	2.5	3.5	0.7	89%	1.4	(0.2)	85%	-	-	-	-	2.8	81%
Technology out-licensing	1.7	3.7	11.3	11.9	0.5	30%	0.7	(2.9)	20%	-	-	-	-	6.4	54%

VI. Kyowa Hakko Kirin Net Sales of Main Products

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	Change amount	%	Jul - Sep	%	Oct - Dec	%
Kyowa Hakko Kirin total	53.8	52.1	57.6	54.3	53.2	99%	48.6	(3.4)	93%	-	-	-	-
Indication / Product name													
<i>ESA formulation</i> Nesp	12.3	14.7	14.9	15.4	13.3	109%	14.1	(0.6)	95%	-	-	-	-
<i>ESA formulation</i> Espo	0.4	0.5	0.5	0.4	0.4	95%	0.4	(0.0)	82%	-	-	-	-
<i>Secondary hyperparathyroidism</i> Regpara	3.9	4.6	4.6	4.9	4.3	110%	5.1	0.4	111%	-	-	-	-
<i>Secondary hyperparathyroidism</i> Rocaltrol	1.0	1.3	1.3	1.3	1.1	101%	1.0	(0.2)	78%	-	-	-	-
<i>Type-2 diabetes</i> Onglyza	0.8	1.1	1.2	1.5	1.2	150%	1.6	0.4	141%	-	-	-	-
<i>Cardiovascular (Hypertension & angina pectoris)</i> Coniel	2.4	2.6	2.4	2.5	2.0	83%	1.9	(0.6)	76%	-	-	-	-
<i>Sustained-duration G-CSF</i> G-Lasta	1.4	2.4	2.8	3.6	3.6	259%	3.8	1.3	158%	-	-	-	-
<i>G-CSF</i> Gran	1.3	1.5	1.5	1.4	1.0	75%	1.0	(0.4)	68%	-	-	-	-
<i>Transdermal persistent pain</i> Fentos	1.2	1.5	1.5	1.7	1.3	107%	1.6	0.0	103%	-	-	-	-
<i>Anticancer</i> Poteligeo	0.4	0.5	0.4	0.5	0.4	98%	0.4	(0.0)	88%	-	-	-	-
<i>Chronic idiopathic thrombocytopenic purpura</i> Romiplate	0.6	0.7	0.8	0.8	0.7	121%	0.8	0.0	110%	-	-	-	-
<i>Antiallergenic</i> Allelock	7.8	4.6	4.4	5.2	6.8	88%	3.9	(0.6)	86%	-	-	-	-
<i>Antiallergic eyedrops</i> Patanol	7.4	1.3	1.9	2.0	7.3	98%	1.7	0.3	127%	-	-	-	-
<i>Inflammatory bowel disease</i> Asacol	1.3	1.5	1.5	1.6	1.2	86%	1.2	(0.3)	79%	-	-	-	-
<i>Psoriasis vulgaris</i> Dovobet	0.9	1.2	1.1	1.4	1.2	138%	1.6	0.3	131%	-	-	-	-
<i>Parkinson's disease</i> Nouria	0.9	1.2	1.4	1.6	1.4	151%	1.8	0.5	145%	-	-	-	-
<i>Antiepileptic</i> Depakene	2.0	2.2	2.1	2.2	1.8	90%	1.9	(0.3)	85%	-	-	-	-
<i>Gastrointestinal</i> Nauzelin	0.8	0.8	0.7	1.0	0.7	89%	0.7	(0.1)	82%	-	-	-	-
Technology out-licensing	1.7	2.0	7.6	0.6	0.5	30%	0.2	(1.7)	12%	-	-	-	-












VII. R&D Pipeline



Filed • Approved  antibody  protein  small molecule

As of Jul.22, 2016

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		
Oncology		Granisetron Patch	5-HT ₃ Serotonin Receptor Antagonist	Chemotherapy induced Nausea and Vomiting	Filed in MY	Licensed from Solasia Pharma	
Immunology /Allergy		©KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Psoriasis	Approved in JP	Kirin-Amgen	
Other		AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Idiopathic (Immune) Thrombocytopenic Purpura	Filed in TH	Kirin-Amgen	
					Approved in MY		

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							
					Phase III in JP								
Oncology		©ARQ 197 Tivantinib Oral	Calcium Receptor Agonist	Secondary Hyperparathyroidism	Phase III in JP	Licensed from ArQule							
								©BIW-8962 Injection	Anti-GM2 Humanized Antibody	Cancer	Phase I / II a in KR	In-House	POTELLIGENT®
													
Cutaneous T-cell Lymphoma	Phase III in US, EU, JP and others												
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	Phase III in JP and KR	In-House	POTELLIGENT® Jointly Developed with AstraZeneca/MedImmune in JP and KR		
								Chronic Obstructive Pulmonary Disease(COPD)	Phase III in JP				
								Eosinophilic Chronic Rhinosinusitis (ECRS)	Phase II in JP				
					©ASKP1240 Eleselumab 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		
	Z-206 Mesalazine Oral	pH Dependent Controlled Release Tablet	Ulcerative Colitis (new dose regimen)	Phase III in JP	Licensed from Zeria Pharma	Jointly Developed with Zeria Pharma							
Central Nervous System		KW-6002 Istradefylline Oral	Adenosine A _{2A} Receptor Antagonist	Parkinson's Disease	Phase III in US, CA, EU and others	In-House							
Other		©KRN23 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 II in US and EU								
				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	Phase II / III in JP and KR	Kirin-Amgen							
				Idiopathic (Immune) Thrombocytopenic Purpura	Phase III in CN								

 Updated since Apr 20th, 2016 (Area, Stage, Filed, Approved, etc.)
 New Molecular Entity

VII. R&D Pipeline

Ph I

antibody
 protein
 small molecule

As of Jul. 22, 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	
		©KHK2823 Injection	Anti-CD123 Fully Human Antibody	Cancer	Phase I in UK	In-House	POTELLIGENT® Human Antibody-Producing Technology
		KW-0761 Mogamulzumab 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		©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 Apr 20th, 2016 (Area, Stage, Filed, Approved, etc.)
 © New Molecular Entity

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Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Immunology /Allergy		©KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Psoriasis	Approved in JP	Kirin-Amgen	
Other		AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Idiopathic (Immune) Thrombocytopenic Purpura	Approved in MY	Kirin-Amgen	

Ph II

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
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	Eosinophilic Chronic Rhinosinusitis (ECRS)	Phase II in JP	In-House	POTELLIGENT®
Others		©KRN23 Injection	Anti-FGF23 Fully Human Antibody	Tumor Induced Osteomalacia (TIO)/Epidermal Nevus Syndrome (ENS)	Phase II in JP and KR	In-House	Human Antibody-Producing Technology Jointly Developed with Ultragenyx in US and EU

Ph III

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Others		AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Aplastic Anemia	Phase II / III in JP and KR	Kirin-Amgen	

<Appendix>Pipeline of Biosimilar

Phase III

As of July 22 2016

Code Name	Generic Name	Stage	Remarks
FKB327	Adalimumab (fully human anti-TNF- α monoclonal antibody)	Phase III in US and others	Fujifilm Kyowa Kirin Biologics

Phase I

Code Name	Generic Name	Stage	Remarks
FKB238	Bevacizumab (humanized anti-VEGF monoclonal antibody)	Phase I in UK	Centus Biotherapeutics