

FOR IMMEDIATE RELEASE

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Matters Concerning Voluntary Adoption of International Financial Reporting Standards (IFRS)

Tokyo, Japan, October 26, 2017 - Kyowa Hakko Kirin Co., Ltd. ("Kyowa Hakko Kirin") announces that it has resolved, at a meeting of its Board of Directors held today, to voluntarily adopt International Financial Reporting Standards ("IFRS") for Kyowa Hakko Kirin's consolidated financial statements in place of the Japanese Generally Accepted Accounting Principles ("J-GAAP"). The change is to be implemented in its consolidated financial statements for the fiscal year ending December 31, 2017.

Kyowa Hakko Kirin is globally developing its business in the United States, Europe, Asian regions as well as Japan. Given its global operations, Kyowa Hakko Kirin is voluntarily adopting IFRS with a view to improving comparability of its financial information in the global capital markets and standardizing financial information of the group.

(Reference)

The estimated consolidated financial forecasts for the fiscal year ending December 31, 2017 calculated under IFRS are as follows.

(Billion yen)

	J-GAAP (A)	IFRS (B)	Difference (B-A)
Net Sales	347.0	348.0	+1.0
Core Operating Profit *	47.0	51.0	+4.0
Net Income	21.0	35.0	+14.0

* Core Operating Profit under J-GAAP

= Operating Profit + Amortization of goodwill + Share of profit/loss of equities accounted for using equity method

Core Operating Profit under IFRS

= Net Sales - COGs - SG&A expenses - R&D expenses + Share of profit/loss of equities accounted for using equity method