

Kyowa Hakko Kirin

Fiscal 2008 Results

April 28, 2009

President & CEO

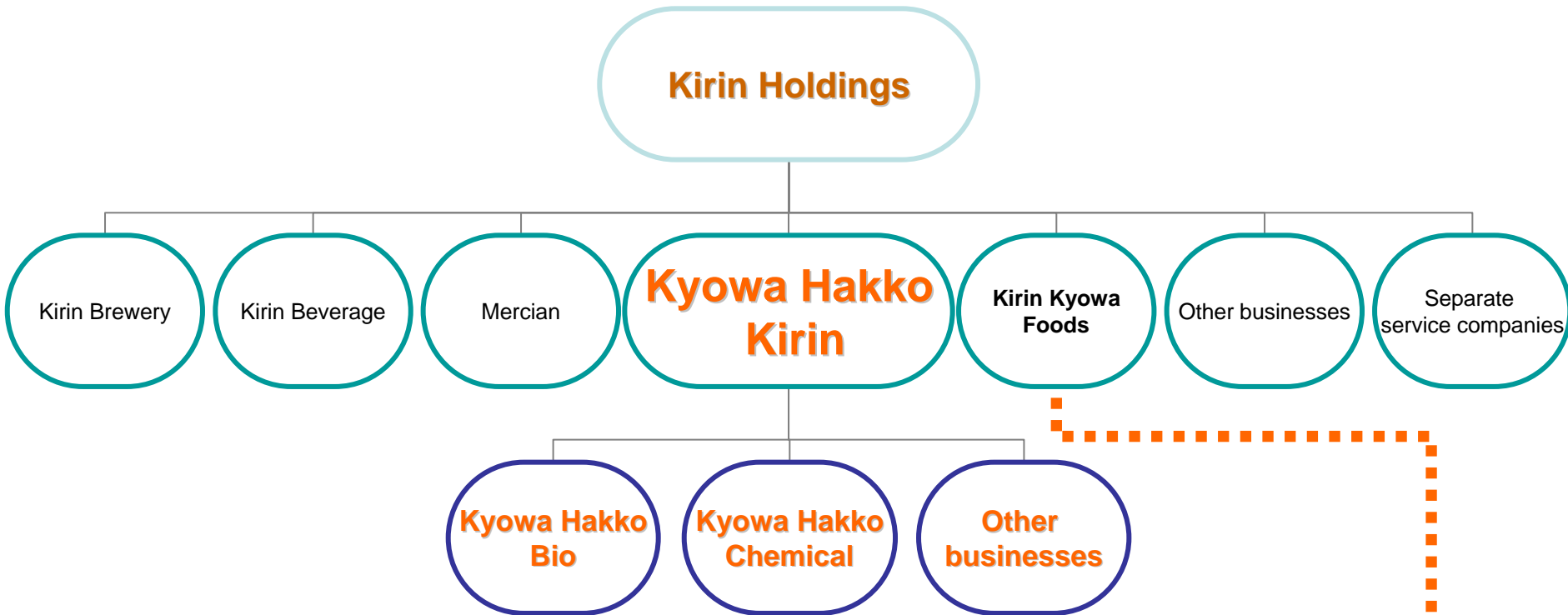
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Statements on results, forecasts and R&D status contained in this presentation represent judgments based on information available at the current time. Actual results may differ significantly due to a variety of factors such as economic conditions and exchange rate fluctuations.

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April 1, 2009:

Launched Kirin Kyowa Foods

-Kirin Holdings ownership 65%

-Kyowa Hakko Kirin ownership 35%

January 1, 2011 (planned): Kirin Kyowa Foods to become 100% owned subsidiary of Kirin Holdings

2007/10

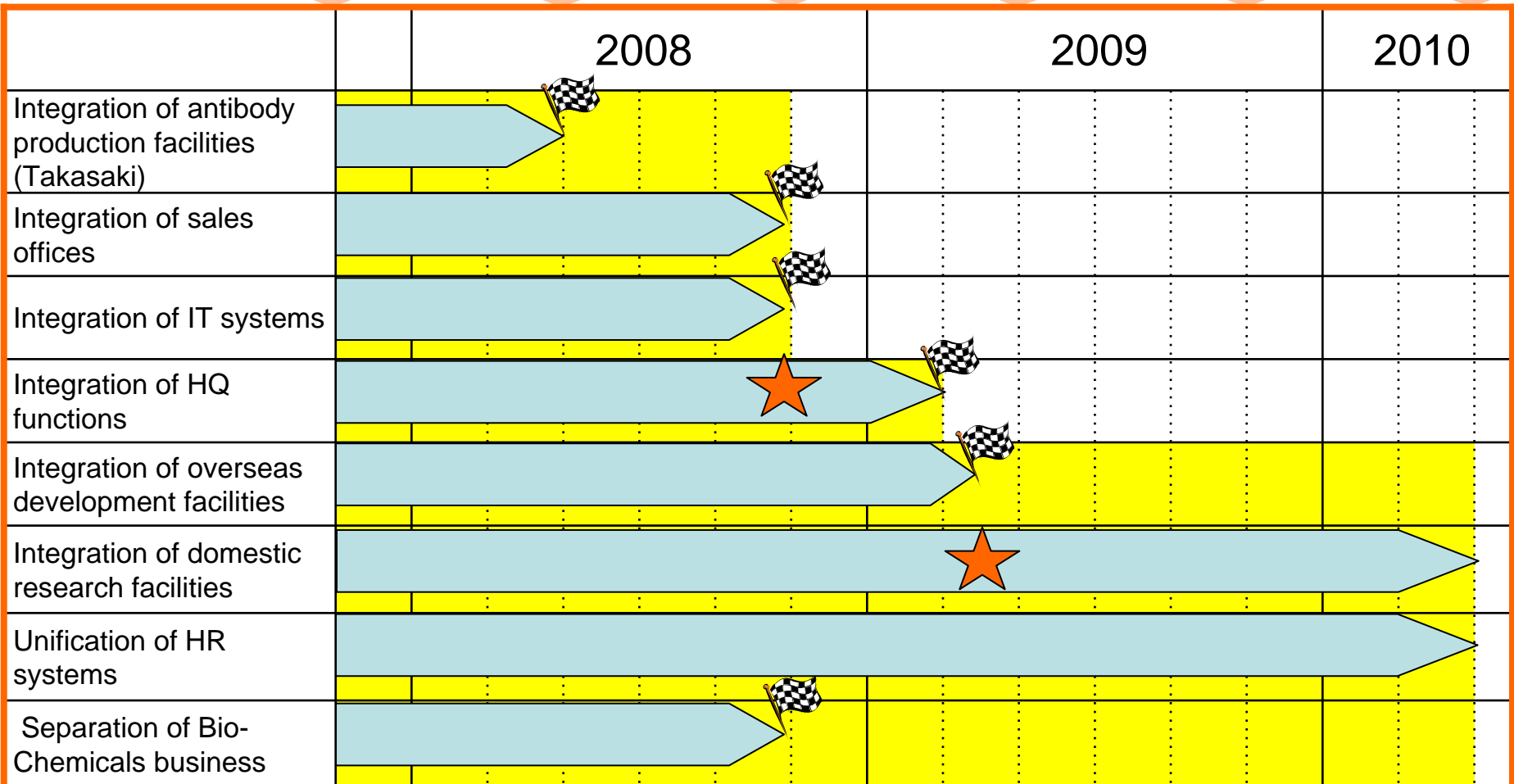
2008/4

2008/10

2009/4

2009/10

2010/4



Summary of Fiscal 2008 results

(¥bn)	Net sales	Operating income	Recurring income	Net income
FY 2008	460.1	45.3	46.4	11.7
Change	+68.0 (+17.4%)	+5.9 (+15.2%)	+8.4 (+22.2%)	-11.7 (-50.0%)
FY 2007	392.1	39.3	37.9	23.4

Summary

- >> **Pharmaceuticals** Sales and profits up due to merger with Kirin Pharma, one-time licensing payment from Amgen, NESP/ESPO increased market share, growth of Allelock and Patanol, launch of REGPARA and Coversyl, etc.
- >> **Bio-Chemicals** Sales up as industrial and pharmaceutical raw materials and health care products grew, but profits down due in part to foreign exchange effects and worsening vitamins market
- >> **Chemicals** Sales up in the first half due to price revisions following rapid rise in fuel and raw materials prices but in the second half rapid falls in fuel and raw materials prices and economic downturn led to a worsening business environment and large decline in sales and profits
- >> **Food** Sales and profits declined affected by high raw materials prices, etc.
- >> **Extraordinary items:** Extraordinary losses included valuation losses on investment securities, impairment losses and integration related expenses. These were partly offset by an extraordinary profit from the transfer of the Food business.

(¥bn)	FY2007	FY2008	Change
Net sales	138.3	210.4	+72.0
Operating income	19.9	34.8	+14.8
R&D expenses	28.1	42.6	+14.4

Reasons for changes

- Positive factors for sales and operating income included the merger with Kirin Pharma and the one-time licensing payment from Amgen for KW-0761*
- Negative factors for sales and operating income included pharmaceutical price revisions, and the ending of Durotep sales

*KW-0761 is an antibody pharmaceutical developed by Kyowa Hakko Kirin candidates that uses our proprietary POTELLIGENT® technology

(¥bn)	Sum of the two companies; Year to March 08	Fiscal 2008	Change
Net sales	204.5	210.4	+5.9
Operating income	28.1	43.4	+15.2
R&D expenses	47.6	42.6	-5.0

*Fiscal 2008 operating income is prior to merger related goodwill write-off.

Sales and profits up

- Positive factors for sales and operating income included the one-time licensing payment from Amgen for KW-0761, the launch of Coversyl (April 08) and REGPARA (January 08), and growth in Patanol
- Negative factors for sales and operating income included pharmaceutical price revisions, and the ending of Durotep sales
- NESP/ESPO grew sales and raised their market share, absorbed the cuts in pharmaceutical prices
- R&D expenses declined compared to the sum of Kyowa Hakko and Kirin Pharma expenses in the previous year

● Sales of core pharmaceutical products

(compared with the sum of the two companies in the previous fiscal year)

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(¥bn)	Sum of the two companies; Year to March 08	Fiscal 2008	Ref: FY08 Forecasts	
			As of Q3	Initial
NESP/ESPO	41.5	43.7	43.0	46.8
Coniel	25.4	23.1	22.9	22.8
Allelock	23.3	25.0	23.1	23.3
Patanol	4.3	6.6	4.9	5.0
Gran/Neu-up*	18.6	17.6	18.3	18.2
Depakene	10.5	10.7	10.7	10.3
Durotep	13.9	—	—	—
Coversyl	—	5.0	5.0	4.3
REGPARA	0.5	4.6	4.2	6.9
Export and technology out-licensing revenues*	18.9	29.1	29.7	29.5

Note: Year to March 08 figures for Gran/Neu-up and for export and technology out-licensing revenues are the simple sum of figures for the two companies

(¥bn)	FY 2006	FY 2007	FY 2008	Change from fiscal 2007
Net sales	67.1	86.8	88.4	+1.6
Operating income	4.1	9.6	8.3	-1.3
Forex	¥117/\$ ¥150/€	¥114/\$ ¥162/€	¥101/\$ ¥143/€	-¥13/\$ -¥19/€

- In pharmaceutical and industrial raw materials, sales volumes of amino acids for intravenous liquids, and others grew strongly driven by increased overseas demand, but sales and profits were affected by yen strength
- Sales of healthcare products increased, driven by domestic mail order sales and strong overseas sales of amino acids for health foods
- Daiichi Fine Chemical's sales of vitamins declined due to intensifying price competition

(¥bn)	Net sales	Operating income	Recurring income	Net income	Dividends (¥ per share)
2009 (Apr.-Dec.)	300.0	27.0	27.5	13.0	¥15
vs. 2008 (Apr.-Dec)	(-17.2%)	(-36.8%)	(-36.4%)	(+24.0%)	
2008 (Apr.- Dec.)	362.2	42.6	43.2	10.4	—
April 08 - March 09	460.1	45.3	46.4	11.7	¥20

Nine month fiscal period, April – December 2009, resulting from change in fiscal year end.

Food business to be accounted for as an equity-method affiliate.

- >> Change in fiscal year end to December
- >> Forecast continued growth for core pharmaceutical products but expect forex effects and increased expenses, and absence of FY08 special factors (one-time licensing fee from Amgen and in-licensing expenses)
- >> In Bio-Chemicals we forecast expect continued strength in pharmaceutical and industrial use raw materials, but we expect forex and intensifying competition in vitamins to have an effect
- >> The environment for the Chemicals business is expected to gradually improve but the outlook remains unclear (Forecast naphtha price ¥35,000/kl)
- >> Food business to be accounted for by the equity method (Kirin Kyowa Foods established on April 1, 2009; Kyowa Hakko Kirin holding 35%)

(¥bn)	2008 Apr- Dec	Special factors*	Adjusted 2008	2009 Apr-Dec	Change on adjusted figures
Net sales	161.3	One-time payment from Amgen	151.5	153.0	+1.5
Operating income	29.6	One-time payment from Amgen; In-licensing expenses	22.8	21.5	-1.3
R&D expenses	32.5	In-licensing expenses	30.6	32.3	+1.7

* Special factors

- One-time payment from Amgen: Out-licensing fee income for KW-0761
- In-licensing expenses: One-time payments for in-licensing of development products/
joint-development rights/joint sales rights.

Apr-Dec	2008	2009
Yen /\$	¥103/\$	¥90/\$

- >> Forecast growth in domestic sales of core pharmaceutical products but the negative forex effects on exports and technology outlicensing revenue will limit sales growth to around + ¥1.5 billion
- >> R&D expenses expected to exceed previous year adjusted level due to progress to later stage of KW-0761, KW-6002 and in-licensed products
- >> Non R&D expenses expected to increase due to upfront investment in new product sales

● **Fiscal 2009 forecasts:** Sales of core pharmaceutical products **KYOWA KIRIN**

(¥bn)	2008/4-12	2009/4-12 (forecast)	% change
NESP/ESPO	34.4	35.1	2% ↑
Coniel	18.1	17.3	4% ↓
Allelock	15.6	16.4	5% ↑
Patanol	2.2	3.2	45% ↑
Gran/Neu-up*	14.3	13.4	6% ↓
Depakene	8.3	8.5	2% ↑
Coversyl	4.0	3.6	10% ↓
REGPARA	3.3	4.6	39% ↑
Export and technology out-licensing revenues*	16.5	14.7	11% ↓

*2008 figures on a shipments basis. 2009 forecasts, on an actual consumption basis.

*2008/4-12 Export and technology out-licensing revenues exclude a one-time outlicensing fee from Amgen of ¥9.8 bn.

(¥bn)		2008/4-12	2009/4-12 (forecast)	Change
Bio-Chemicals	Sales	67.5	70.0	+2.5
	Operating income	7.4	3.8	-3.6
Chemicals	Sales	77.3	50.0	-27.3
	Operating income	3.5	1.0	-2.5
Forex	¥/\$	¥103/\$	¥90/\$	▲¥13/\$
	¥/€	¥151/€	¥120/€	▲¥31/€
Naphtha	¥/kl	Approx. ¥70,000/kl	¥35,000/kl	Approx. -¥35,000/kl

Bio-Chemicals: Amino acids business strong but profits down due to forex

- >> Due to change in fiscal year end overseas subsidiaries consolidated for 12 months
- >> On a local currency basis industrial and pharmaceutical raw materials (mainly intravenous liquids) expected to show continued growth
- >> Profit decline expected due to forex (in particular FY08 H1¥106/\$,¥163/€ but FY09 H1 forecast ¥90/\$,¥120/€)

Chemicals: Some improvement in business environment but no full scale turnaround

- >> Naphtha expected to improve from 2009 Jan-March level of around ¥26,500/kl, but due to delayed economic recovery, volumes, sales and profits expected to decline

(Phase II and onwards)


Category	Code name/ Product name	Stage		Indication	Formulation	Developed in-house or licensed	Remarks
		Japan	Other countries				
Cancer/ Hematology	KRN321 NESP	Filed Nov/2008		★Chemotherapy induced anemia	Injection	Kirin-Amgen	Long-acting erythropoiesis stimulating protein On sale in Japan since July 2007 for anemia of CKD patients on dialysis
	AMG531	Phase III		Ideopathic thrombocytopenic purpura	Injection	Kirin-Amgen	Thrombopoiesis stimulating peptibody The clinical development is being conducted by Amgen Development KK under contract
	KW-2246	Phase III		Cancer pain	Sublingual tablet	Orexo	
	KRN125	Phase II		Neutropenia	Injection	Kirin-Amgen	Long-acting G-CSF
	AGS-003		Phase II in USA and Canada	Renal Cell Carcinoma	Injection	Argos	Dendritic cell-based immunotherapeutic
	AGS-004		Phase II in Canada	HIV	Injection	Argos	Dendritic cell-based immunotherapeutic
Kidney	PB94 PHOSBLOCK (RENAGEL)		Filed in China Jun/2008	Hyperphosphatemia	Oral	Licensed from Chugai	Launched in Japan
	KRN321 NESP	Filed Dec/2008	Phase II in China	★Anemia (not on dialysis) ★Anemia (on dialysis)	Injection	Kirin-Amgen	Long-acting erythropoiesis stimulating protein On sale in Japan since July 2007 for anemia of CKD patients on dialysis
Immunology /Allergy	KW-4679 ALLELOCK		Filed in China Jul/2008	Allergy	Oral	In-house	Launched in Japan
	Z-206 ASACOL	Phase III		Inflammatory bowel disease (Crohn's disease)	Oral (pH depend controlled- release formulation)	Licensed from Zeria Pharma	Jointly developed with Zeria Pharma

Updated since Oct. 30th, 2008 (Area, Stage, Filed, Approved, Launched etc.)

★ New indications

(Phase II and onwards)

Category	Code name/ Product name	Stage		Indication	Formulation	Developed in-house or licensed	Remarks
		Japan	Other countries				
CNS	KW-6002	Phase II b	Filed in USA Apr/2007	Parkinson's disease	Oral	In-house	★Clinical trials for Mono-Therapy: Phase II a, in Japan
	KW-6500	Phase II		Parkinson's disease	Injection	Britannia Pharma	
Cardiovascular	KW-3049 CONIEL		Approved in China Sept/2008	★Angina	Oral	In-house	★ Launched for Hypertension in China in Dec 2004 (Launched in Japan)
Other	KW-7158	Phase II		Bowel disease (Irritable bowel syndrome)	Oral	In-house	The development program of KW-7158 for Overactive bladder/Urinary incontinence was discontinued in Sep 2006

 Updated since Oct. 30th, 2008 (Area, Stage, Filed, Approved, Launched etc.)

★ New indications

(Phase I)

Category	Code name/ Product name	Stage		Indication	Formulation	Developed in-house or licensed	Remarks
		Japan	Other countries				
Cancer/ Hematology	KRN654	Phase I/II		Essential thrombocythemia	Oral	Shire	
	KW-0761	Phase I		Cancer (Hematologic tumor)	Injection	In-house	Humanized monoclonal antibody (The exclusive right to develop and commercialize for treatments other than cancer, and except in Japan, Korea, China and Taiwan, was out-licensed to Amgen in March 08)
	KW-2449		Phase I/IIa in USA	Cancer	Oral	In-house	
	KW-2478		Phase I in Europe	Cancer	Injection	In-house	
	ARQ197	Phase I		Cancer	Oral	ArQule	
	KRN330		Phase I in USA	Cancer	Injection	In-house	Fully human monoclonal antibody
	BIW-8962		Phase I in USA	Cancer	Injection	In-house	Humanized monoclonal antibody
Immunology/ Allergy	NU206		Phase I in Australia	Inflammatory bowel disease	Injection	Developed with ARCA biopharma (the former Nuvelo).	
	ASKP1240		Phase I in USA	Organ Transplant Rejection	Injection	In-house	Fully human monoclonal antibody Jointly developed with Astellas.
Other	KW-3357	Phase I		Blood coagulation (Disseminated intravascular coagulation)	Injection	In-house	Recombinant antithrombin product
	KRN23		Phase I in USA	Hypophosphatemic disease	Injection	In-house	Fully human monoclonal antibody

Additional pipeline products:

In the Philippines, approval for Filgrastim (G-CSF) has been filed




In Korea, Taiwan and Thailand, approval for NESP (long-acting erythropoiesis stimulating protein) has been filed

In Hong Kong and Taiwan, REGPARA (a treatment for secondary hyperthyroidism during dialysis therapy) has been filed

In Korea, REGPARA clinical pharmacological tests are underway

Updated since Oct. 30th, 2008 (Area, Stage, Filed, Approved, Launched etc.)

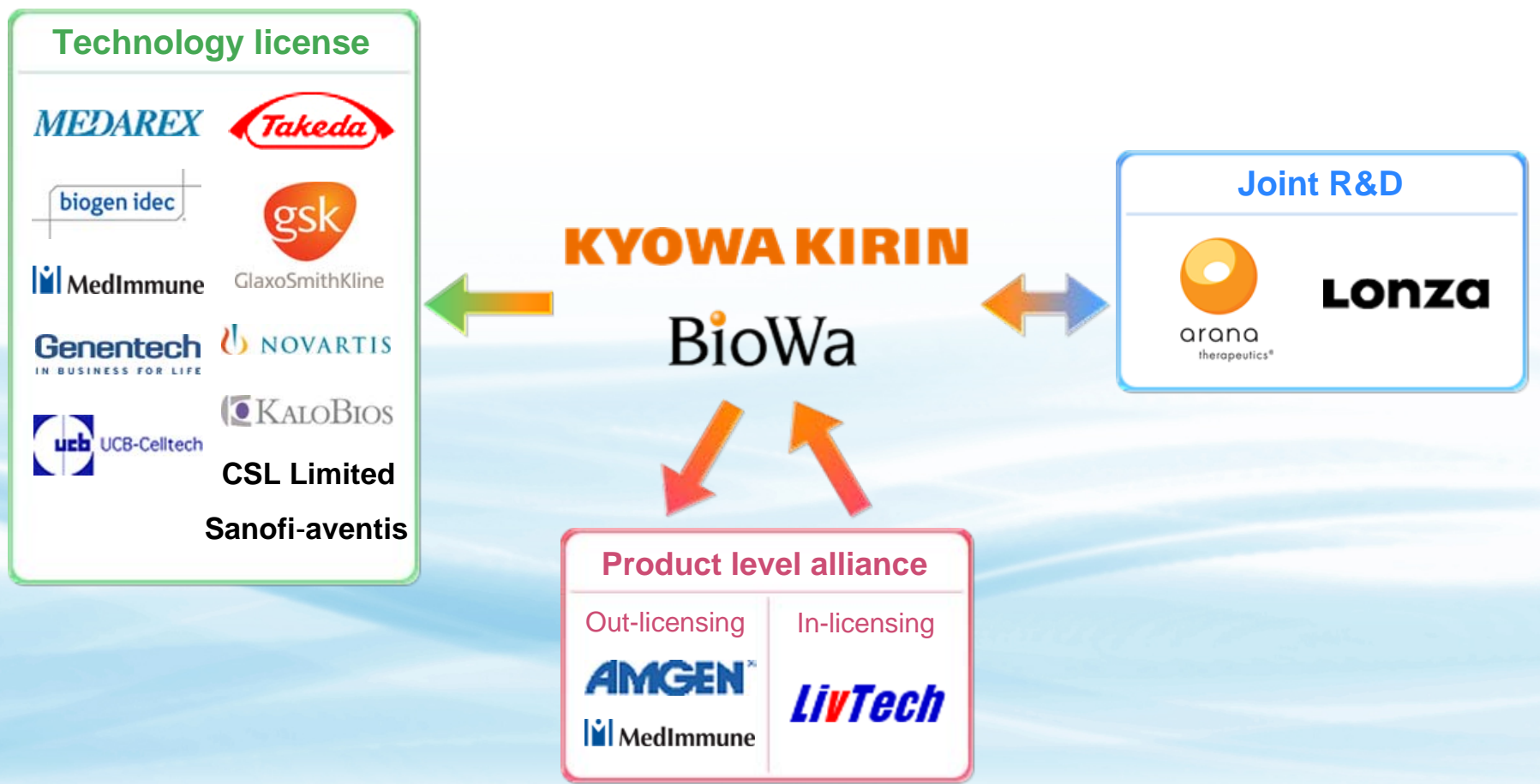
★ New indications

Overview of Development Pipeline				
Therapeutic area	Pre-clinical	Phase-I	Phase-II	
Cancer	<p>9 antibodies (of which 7 are Potelligent® antibodies) ●</p>	<p>KW-0761 (CCR4) ●</p> <p>KRN330</p>	<p>BIW-8962 (GM2) ●</p> <p>KW-2871 (GD3) Life Science Pharmaceuticals</p>	
Immunology/ Allergy		<p>ASKP1240 (CD40)</p> <p> <small>Leading Light for Life</small></p>	<p>AMG 761 (CCR4) ●</p> <p></p>	<p>MEDI-563 (IL-5R) ●</p> <p></p>
Renal				
Other areas			<p>KRN23 (FGF23)</p>	

● : POTELLIGENT® Technology

● POTELLIGENT[®] technology related alliances (as of April 2009)

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● Progress in licensing-out (as of April 2009)

Name	Partner	Pre-clinical	Phase			Remarks
			I	II	III	
CEP-701	Cephalon					Anticancer (acute myelocytic leukemia)
KW-3902	Merck (NovaCardia)					Congestive heart failure, Renal failure
KW-2871 (Low-fucose antibody)	Life Science					Anticancer (malignant melanoma)
BIW-8405 (POTELLIGENT antibody)	AstraZeneca (MedImmune)					IL-5R antibody
KRN951 (AV-951)	AVEO					VEGF receptor inhibitor
LY2523355 (Eg5 inhibitor)	Eli Lilly					Mitotic Kinesin Eg5 inhibitor
KW-0761 (POTELLIGENT antibody)	Amgen					Anti-CCR4 antibody (Kyowa Kirin Phase 1)
Debio0719	Debio					LPA receptor inhibitor (Metastatic bone cancer)
KRN7000	REGiMMUNE					Immunosuppressant

● Progress in licensing-in (as of April 2009)

Name	Partner	Pre-clinical	Phase			Remarks
			I	II	III	
Asacol	Zeria Pharmaceuticals					Inflammatory bowel disease (Crohn's disease) Application filed for ulcerative colitis
KW-6500	Britannia					Anti-Parkinson's disease (injection)
AGS-003	Argos					Renal cell carcinoma (Kidney cell cancer)
AGS-004	Argos					Renal cell carcinoma (HIV)
ARQ197	ArQule					Anticancer
KRN654	Shire					Thrombocytosis
NU206	ARCA biopharma (Formerly Nuvelo)					Inflammatory bowel disease
ALN-RSV01	Alnylam					RSV anti-infective (RNAi pharmaceutical)
ART104	arana					Anticancer (colonic cancer)
LIV-1205	LivTech					Anticancer
HFT-290	Hisamitsu Pharmaceuticals	Filed				Skin patch for cancer pain

- End July 2009 (planned): Announce Q1 results
- End October 2009 (planned): Announce Q2 results, 2010-2012, Investor presentation
- End January 2010 (planned): Announce Fiscal 2009 results and 2010-2012 medium-term business plan, Investor presentation

Appendix

All listed factors are on a non-consolidated basis unless stated otherwise

Fiscal 2007	Net sales	Fiscal 2008
¥138.3 bn	+¥72.0 bn	¥210.4 bn
Positive factors	Consolidation of Kirin Pharma Onetime contract payment from Amgen Launched <i>Coversyl</i> , growth in sales of <i>Patanol</i> , etc.	
Negative factors	Effects of price revisions Termination of <i>Durotep</i> sales	
	Operating income	
¥19.9bn	+¥14.8bn	¥34.8bn
Positive factors	Consolidation of Kirin Pharma Onetime contract payment from Amgen Launched <i>Coversyl</i> , growth in sales of <i>Patanol</i> , etc.	
Negative factors	Effects of price revisions	Integration-related goodwill ¥8.62 billion

All listed factors are on a non-consolidated basis unless stated otherwise

Fiscal 2007	Net sales	Fiscal 2008
¥86.8 bn	+¥1.6 bn	¥88.4 bn
Positive factors	Increased bulk sales of raw materials for pharmaceutical and industrial use Increased sales of healthcare products	
Negative factors	Effects of foreign exchange	
	Operating income	
¥9.6 bn	-¥1.3 bn	¥8.3 bn
Positive factors	Increased bulk sales of raw materials for pharmaceutical and industrial use Increased sales of healthcare products	
Negative factors	Effects of foreign exchange	Integration-related goodwill ¥0.62 billion

¥ bn	Fiscal 2007	Fiscal 2008	Change
Net sales	108.0	89.2	-18.8
Operating income	7.1	0	-7.2

From the second half the rapid fall in fuel and raw material prices, and sharp fall in demand led to large decline in sales and profits

- First half: Product price revisions implemented in response to higher raw material prices
Strong performance by high purity solvents for electronic materials and raw materials for refrigerant lubricants
- Second half: Rapid decline in demand along with worldwide economic downturn, rapid fall in fuel and raw material prices led to sharp deterioration in product markets, and inventory effects led to small operating loss (operating profit prior to goodwill amortization)

Naphtha price trends(/KL)

2008/3 actual	2009/3 estimate
¥61,400	¥58,800

Reference: Quarterly trends

2008/4-6	2008/7-9	2008/10-12	2009/1-3 estimate
¥70,900/kl	¥85,800/kl	¥52,000/kl	¥26,500/kl

All listed factors are on a non-consolidated basis unless stated otherwise

Fiscal 2007	Net sales	Fiscal 2008
¥108.0 bn	-¥18.8 bn	¥89.2 bn
Positive factors	—	
Negative factors	Decline in demand due to recession Deteriorating product markets	
	Operating income	
¥7.1 bn	-¥7.2 bn	¥0 bn
Positive factors	Improvement in costs due to decline in fuel and raw material prices	
Negative factors	Decline in demand due to recession Deteriorating product markets Inventory effects	Integration-related goodwill ¥40 million

¥ bn	Fiscal 2007	Fiscal 2008	Change
Net sales	43.3	42.4	-0.8
Operating income	1.5	1.0	-0.4

● Seasonings:

- Natural seasonings sluggish due to large rise in raw material prices and the effects of depressed consumer spending
- Higher volumes of *Umami* seasonings, etc., led to an increase in sales

● Bakery products and ingredients:

- Sales of core improving agents and yeasts increased, but due to the effects of higher raw material prices sales of some products were halted, leading to a decline in sales

All listed factors are on a non-consolidated basis unless stated otherwise

Fiscal 2007	Net sales	Fiscal 2008
¥43.3 bn	-¥0.8 bn	¥42.4 bn
Positive factors	Higher volumes of <i>Umami</i> seasonings	
Negative factors	Lower volumes of natural seasonings Lower volumes of bakery products and ingredients	
	Operating income	
¥1.5 bn	-¥0.4 bn	¥1.0 bn
Positive factors	Higher volumes of <i>Umami</i> seasonings Review of bakery products and ingredients product lineup	
Negative factors	Higher cost of sales	Integration-related goodwill ¥290 million

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**If you have any inquiries regarding this presentation please call:
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