

Kyowa Hakko Kirin Co., Ltd.

Appendix to the Consolidated Financial Summary Fiscal 2014

(January 1, 2014 - December 31, 2014)

- This document was made as a supplement to the Kessan Tanshin (financial report), disclosed at the Tokyo Stock Exchange on January 30, 2015 for the fiscal year ended December 31, 2014.
- This document contains forward-looking statements based on a number of assumptions and beliefs held by management in light of information currently available. For a variety of reasons, actual financial results may differ materially from the forecasts presented here.
- Figures presented in this document have been rounded down to the nearest whole number.

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The average exchange rate for each period was as follows

Unit: yen

	2013 results				2014 results				2015 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Jun	Jan - Dec
US \$	89	94	95	96	103	103	103	105	109	109
EURO	118	123	125	127	141	141	140	140	139	139
GBP	141	145	147	150	171	171	171	173	178	178

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I. Consolidated Financial Results

1. Trends in consolidated income

Accumulative

Billions of yen, rounded down

	FY 2013 results				FY 2014 results										FY 2015 forecasts						
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	%	Jan - Dec	Change Amount	%	Jan - Dec latest forecasts	% of forecasts	Jan - Jun	Change Amount	%	Jan - Dec	Change Amount	%
Net sales	86.6	169.7	252.1	340.6	86.0	99%	161.8	95%	238.9	95%	333.4	(7.1)	98%	336.0	99%	172.0	10.1	106%	354.0	20.5	106%
Gross Profit	52.3	105.1	157.2	212.7	51.2	98%	98.2	93%	146.5	93%	205.9	(6.8)	97%	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	37.8	77.9	115.8	160.9	38.8	103%	79.8	102%	120.3	104%	169.7	8.7	105%	-	-	-	-	-	-	-	-
Operating income (prior to amortization of goodwill)	16.7	31.8	48.3	61.0	14.7	88%	23.0	72%	33.2	69%	45.4	(15.6)	74%	52.2	87%	21.1	(1.9)	92%	50.7	5.3	112%
Operating income	14.4	27.1	41.4	51.7	12.4	86%	18.4	68%	26.2	63%	36.1	(15.6)	70%	43.0	84%	16.5	(1.9)	90%	41.5	5.3	115%
Non-operating income	1.0	2.4	2.9	4.4	1.0	96%	1.6	67%	1.5	52%	2.3	(2.1)	52%	-	-	-	-	-	-	-	-
Non-operating expenses	0.6	3.0	5.1	6.7	1.3	207%	3.1	103%	4.0	77%	8.9	2.2	134%	-	-	-	-	-	-	-	-
Ordinary income	14.8	26.5	39.2	49.5	12.0	81%	16.8	64%	23.8	61%	29.5	(19.9)	60%	35.0	84%	-	-	-	34.0	4.4	115%
Extraordinary income	3.8	4.4	4.9	4.9	0.3	8%	0.3	7%	0.3	6%	0.3	(4.6)	6%	-	-	-	-	-	-	-	-
Extraordinary loss	-	0.1	3.6	4.7	-	-	0.4	346%	1.5	42%	2.5	(2.1)	55%	-	-	-	-	-	-	-	-
Income before income taxes and minority interests	18.6	30.8	40.4	49.7	12.3	66%	16.7	54%	22.5	56%	27.2	(22.5)	55%	33.0	83%	-	-	-	31.5	4.2	116%
Income taxes	8.1	13.1	17.1	19.6	6.0	74%	7.5	58%	10.5	62%	11.3	(8.2)	58%	-	-	-	-	-	-	-	-
Minority interests in income	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	(0.0)	-	-	-	-	-	-	-	-	-
Net income	10.4	17.6	23.3	30.0	6.3	60%	9.1	52%	12.0	52%	15.8	(14.1)	53%	18.0	88%	-	-	-	18.5	2.6	116%
Comprehensive income	16.8	28.9	36.7	51.8	3.8	23%	6.6	23%	15.1	41%	27.2	(24.6)	53%	-	-	-	-	-	-	-	-
EPS prior to amortization of goodwill (¥/share)	23.39	40.75	55.29	71.85	15.80	68%	25.24	62%	34.67	63%	45.95	(25.90)	64%	49.79	92%	-	-	-	50.71	4.76	110%

* 1 Prior to amortization of goodwill* refers to profits prior to the deduction of amortization of the goodwill arising on the reverse acquisition in April 2008- (Kirin Pharma share transfer).

(Note: This adjustment does not include goodwill amortization in respect of the acquisition of ProStrakan and others.)

* 2 Changes to the forecasts announced on October 28, 2014 are reflected in this document.

* 3 Due to the acquisition of all shares of Archimedes Pharma Limited on August 5, 2014, Archimedes and its 12 subsidiaries have been included in the scope of consolidation.

Results from Archimedes Pharma Limited from August onwards have been factored into the 2014 results and forecasts listed in this document.

Quarterly

Billions of yen, rounded down

	FY 2013 results				FY 2014 results								
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	%	Apr - Jun	%	Jul - Sep	%	Oct - Dec	Change Amount	%
Net sales	86.6	83.0	82.3	88.5	86.0	99%	75.8	91%	77.0	93%	94.5	6.0	107%
Gross Profit	52.3	52.7	52.1	55.4	51.2	98%	46.9	89%	48.3	93%	59.3	3.8	107%
Selling, general and administrative expenses	37.8	40.0	37.8	45.1	38.8	103%	40.9	102%	40.5	107%	49.4	4.2	110%
Operating income (Prior to amortization of goodwill)	16.7	15.0	16.5	12.6	14.7	88%	8.2	55%	10.1	62%	12.2	(0.4)	96%
Operating income	14.4	12.7	14.2	10.3	12.4	86%	5.9	47%	7.8	55%	9.8	(0.4)	95%
Non-operating income	1.0	1.3	0.5	1.4	1.0	96%	0.5	44%	(0.0)	-	0.7	(0.6)	52%
Non-operating expenses	0.6	2.3	2.1	1.5	1.3	207%	1.7	74%	0.8	41%	4.9	3.4	327%
Ordinary income	14.8	11.6	12.6	10.2	12.0	81%	4.8	41%	6.9	55%	5.7	(4.5)	55%
Extraordinary income	3.8	0.6	0.5	0.0	0.3	8%	-	-	-	-	-	(0.0)	-
Extraordinary loss	-	0.1	3.5	1.0	-	-	0.4	346%	1.0	31%	1.0	0.0	101%
Income before income taxes and minority interests	18.6	12.2	9.6	9.2	12.3	66%	4.3	36%	5.8	61%	4.6	(4.6)	50%
Income taxes	8.1	4.9	3.9	2.4	6.0	74%	1.5	31%	2.9	75%	0.7	(1.6)	32%
Minority interests in income	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	(0.0)	-
Net income	10.4	7.1	5.6	6.7	6.3	60%	2.8	40%	2.8	50%	3.8	(2.8)	57%
EPS prior to amortization of goodwill (¥/share)	23.39	17.36	14.54	16.57	15.80	68%	9.44	54%	9.44	65%	11.28	(5.28)	68%

I. Consolidated Financial Results

2. Trends in results by segment

(1) Reported segment

Accumulative Billions of yen, rounded down

	FY 2013 results				FY 2014 results										FY 2015 forecasts						
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	%	Jan - Dec	Change Amount	%	Jan - Dec latest forecasts	% of forecasts	Jan - Jun	Change Amount	%	Jan - Dec	Change Amount	%
Net sales	86.6	169.7	252.1	340.6	86.0	99%	161.8	95%	238.9	95%	333.4	(7.1)	98%	336.0	99%	172.0	10.1	106%	354.0	20.5	106%
Pharmaceuticals	67.4	129.9	192.7	261.0	63.1	94%	119.5	92%	178.6	93%	253.0	(7.9)	97%	254.0	100%	130.0	10.4	109%	270.0	16.9	107%
Bio-Chemicals	19.9	41.2	61.5	82.9	23.5	118%	44.0	107%	62.7	102%	83.9	1.0	101%	85.0	99%	44.0	(0.0)	100%	89.0	5.0	106%
Total	87.4	171.1	254.3	343.9	86.7	99%	163.5	96%	241.4	95%	336.9	(6.9)	98%	339.0	99%	174.0	10.4	106%	359.0	22.0	107%
Eliminations	(0.7)	(1.4)	(2.2)	(3.3)	(0.6)	-	(1.6)	-	(2.4)	-	(3.5)	(0.2)	-	Δ3.0	-	(2.0)	(0.3)	-	(5.0)	(1.4)	-
Operating income	14.4	27.1	41.4	51.7	12.4	86%	18.4	68%	26.2	63%	36.1	(15.6)	70%	43.0	84%	16.5	(1.9)	90%	41.5	5.3	115%
Before goodwill amortization	16.7	31.8	48.3	61.0	14.7	88%	23.0	72%	33.2	69%	45.4	(15.6)	74%	52.2	87%	21.1	(1.9)	92%	50.7	5.3	112%
Pharmaceuticals	13.0	24.1	36.9	46.1	9.4	72%	14.1	59%	20.6	56%	29.0	(17.0)	63%	35.0	83%	12.0	(2.1)	85%	32.0	2.9	110%
Bio-Chemicals	15.2	28.4	43.4	54.7	11.5	76%	18.4	65%	27.0	62%	37.6	(17.0)	69%	43.6	86%	16.3	(2.1)	88%	40.6	2.9	108%
Total	1.4	3.1	4.5	5.6	3.0	206%	4.2	136%	5.6	126%	7.2	1.6	128%	8.0	91%	4.5	0.2	107%	9.5	2.2	131%
Eliminations	1.6	3.4	4.9	6.2	3.2	196%	4.5	133%	6.1	123%	7.9	1.6	126%	8.6	92%	4.8	0.2	106%	10.1	2.2	128%
Total	14.5	27.2	41.4	51.8	12.4	86%	18.4	68%	26.2	63%	36.3	(15.4)	70%	43.0	85%	16.5	(1.9)	90%	41.5	5.1	114%
Eliminations	16.8	31.8	48.4	61.0	14.8	88%	23.0	72%	33.2	69%	45.5	(15.4)	75%	52.2	87%	21.1	(1.9)	92%	50.7	5.1	111%
Eliminations	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	-	0.0	-	(0.0)	-	(0.1)	(0.1)	-	-	-	-	(0.0)	-	-	0.1	-

Quarterly

Billions of yen, rounded down

	FY 2013 results				FY 2014 results									
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	%	Apr - Jun	%	Jul - Sep	%	Oct - Dec	Change Amount	%	
Net sales	86.6	83.0	82.3	88.5	86.0	99%	75.8	91%	77.0	93%	94.5	6.0	107%	
Pharmaceuticals	67.4	62.5	62.8	68.2	63.1	94%	56.3	90%	59.1	94%	74.3	6.1	109%	
Bio-Chemicals	19.9	21.2	20.3	21.3	23.5	118%	20.4	96%	18.7	92%	21.2	(0.1)	99%	
Total	87.4	83.7	83.2	89.5	86.7	99%	76.8	92%	77.8	94%	95.5	5.9	107%	
Eliminations	(0.7)	(0.6)	(0.8)	(1.0)	(0.6)	-	(1.0)	-	(0.8)	-	(1.0)	0.0	-	
Operating income	14.4	12.7	14.2	10.3	12.4	86%	5.9	47%	7.8	55%	9.8	(0.4)	95%	
Before goodwill amortization	16.7	15.0	16.5	12.6	14.7	88%	8.2	55%	10.1	62%	12.2	(0.4)	96%	
Pharmaceuticals	13.0	11.0	12.8	9.1	9.4	72%	4.7	43%	6.4	50%	8.4	(0.7)	92%	
Bio-Chemicals	15.2	13.2	14.9	11.3	11.5	76%	6.8	52%	8.5	57%	10.6	(0.7)	94%	
Total	1.4	1.6	1.4	1.1	3.0	206%	1.1	72%	1.4	103%	1.6	0.4	139%	
Eliminations	1.6	1.7	1.5	1.3	3.2	196%	1.3	75%	1.6	102%	1.7	0.4	134%	
Total	14.5	12.6	14.2	10.3	12.4	86%	5.9	47%	7.8	55%	10.0	(0.2)	97%	
Eliminations	16.8	15.0	16.5	12.6	14.8	88%	8.2	55%	10.1	62%	12.3	(0.2)	98%	
Eliminations	(0.0)	0.0	(0.0)	0.0	(0.0)	-	0.0	216%	(0.0)	-	(0.1)	(0.1)	-	

(2) Regional sales

Billions of yen, rounded down

	FY 2013 results						FY 2014 results									
	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 - Mar	Percentage of consolidated sales	Jan - Jun	Percentage of consolidated sales	Jan - Sep	Percentage of consolidated sales	Jan - Dec	Percentage of consolidated sales
Japan sales	66.1	76.3%	127.7	75.3%	188.9	75.0%	254.0	74.6%	61.8	71.9%	115.7	71.5%	170.0	71.2%	239.2	71.7%
Overseas sales	20.5	23.7%	41.9	24.7%	63.1	25.0%	86.5	25.4%	24.2	28.1%	46.1	28.5%	68.8	28.8%	94.2	28.3%
America	5.2	6.0%	11.1	6.6%	16.3	6.5%	23.9	7.0%	5.5	6.4%	11.4	7.1%	16.5	6.9%	21.6	6.5%
Europe	9.4	10.9%	18.5	10.9%	28.1	11.1%	37.2	10.9%	11.0	12.8%	21.3	13.2%	32.6	13.7%	45.7	13.7%
Asia	5.7	6.6%	11.8	7.0%	18.0	7.1%	24.4	7.2%	7.3	8.5%	12.8	8.0%	19.0	8.0%	25.8	7.8%
Other regions	0.1	0.2%	0.3	0.2%	0.6	0.3%	0.9	0.3%	0.2	0.3%	0.4	0.3%	0.6	0.3%	0.9	0.3%
Total consolidated net sales	86.6	100%	169.7	100%	252.1	100%	340.6	100%	86.0	100%	161.8	100%	238.9	100%	333.4	100%

* Sales classified by region or country based on location of customer.

I. Consolidated Financial Results

3. Other trends

(1) R&D Expenses

Billions of yen, rounded down

	FY 2013 results				FY 2014 results				FY 2015 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Jun	Jan - Dec
R&D expenses	10.6	21.0	30.7	43.6	10.3	21.9	32.5	47.7	26.2	49.9
<i>R&D to net sales ratio</i>	12.3%	12.4%	12.2%	12.8%	12.0%	13.5%	13.6%	14.3%	15.2%	14.1%
Pharmaceuticals	9.8	19.3	28.3	40.4	9.5	20.2	30.0	44.0	24.2	46.2
<i>R&D to net sales ratio</i>	14.7%	14.9%	14.7%	15.5%	15.2%	16.9%	16.8%	17.4%	18.7%	17.1%
Bio-Chemicals	0.7	1.6	2.4	3.2	0.7	1.7	2.5	3.6	1.9	3.6

(2) Capital Expenditure (Property, plant and equipment)

Billions of yen, rounded down

	FY 2013 results				FY 2014 results				FY 2015 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Jun	Jan - Dec
Capital expenditure	5.3	9.6	16.6	24.8	5.3	12.1	20.9	27.2	12.8	24.2
Pharmaceuticals	1.8	4.4	7.4	12.6	2.8	6.5	11.5	14.8	6.6	13.6
Bio-Chemicals	3.5	5.1	9.2	12.2	2.4	5.5	9.4	12.4	6.2	10.5

(3) Depreciation Expenses (Property, plant and equipment and Intangible assets)

Billions of yen, rounded down

	FY 2013 results				FY 2014 results				FY 2015 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Jun	Jan - Dec
Depreciation and amortization expenses	4.8	9.9	15.5	21.5	5.2	10.8	16.9	23.8	11.1	22.6
<i>Amortization of intangible assets</i>	1.5	3.1	4.9	6.9	1.9	3.9	6.2	8.9	5.2	10.2
Pharmaceuticals	3.3	6.8	10.7	14.9	3.6	7.6	12.0	17.0	8.1	16.4
<i>Amortization of intangible assets</i>	1.5	3.1	4.9	6.9	1.9	3.8	6.2	8.8	5.2	10.2
Bio-Chemicals	1.5	3.0	4.7	6.6	1.5	3.2	4.8	6.8	2.9	6.2

*Depreciation expenses for intangible assets do not include amortization of goodwill

(4) Amortization of Goodwill

Billions of yen, rounded down

	FY 2013 results				FY 2014 results				FY 2015 forecasts	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Jun	Jan - Dec
Amortization expenses	2.8	5.7	8.6	11.5	3.0	6.0	9.3	12.8	6.8	13.7
<i>Reverse acquisition amortization of goodwill</i>	2.3	4.6	6.9	9.2	2.3	4.6	6.9	9.2	4.6	9.2
Pharmaceuticals	2.7	5.4	8.1	10.9	2.8	5.6	8.6	11.8	6.3	12.7
<i>Reverse acquisition amortization of goodwill</i>	2.1	4.3	6.4	8.6	2.1	4.3	6.4	8.6	4.3	8.6
Bio-Chemicals	0.1	0.3	0.4	0.6	0.2	0.4	0.6	0.9	0.4	0.9
<i>Reverse acquisition amortization of goodwill</i>	0.1	0.3	0.4	0.6	0.1	0.3	0.4	0.6	0.3	0.6

**Reverse acquisition amortization of goodwill" refers to amortization of goodwill arising on the reverse acquisition in April 2008 (Kirin Pharma share transfer).

II. Consolidated Balance Sheets

Billions of yen, rounded down

	2012	2013				2014				Change previous year end
	Dec 31	Mar 31	June 30	Sep 30	Dec 31	Mar 31	June 30	Sep 30	Dec 31	
Assets	679.3	694.1	691.4	691.2	719.2	689.9	683.1	730.3	719.1	(0.1)
Current assets	303.9	310.0	306.5	305.5	329.3	300.8	296.0	295.7	283.1	(46.1)
Cash and deposits	21.5	23.2	24.8	21.4	20.1	17.2	15.5	17.3	20.6	0.4
Notes and accounts receivable-trade	101.5	103.5	98.5	92.0	98.6	102.9	93.4	91.2	108.8	10.2
Inventories	63.4	68.7	70.9	72.8	75.7	78.9	79.9	90.3	91.2	15.5
Deferred tax assets	10.3	10.6	10.6	10.7	10.4	10.2	10.3	10.6	10.6	0.2
Short-term loans receivable	98.1	97.3	94.1	101.1	113.1	85.1	89.6	77.7	41.6	(71.4)
Other	8.8	6.5	7.3	7.4	11.2	6.3	7.1	8.3	10.0	(1.1)
Noncurrent assets	375.3	384.0	384.8	385.7	389.9	389.0	387.0	434.6	435.9	46.0
Property, plant and equipment	126.8	129.6	130.2	133.4	137.9	139.4	142.2	148.2	151.8	13.9
Buildings and structures	40.7	40.5	40.4	40.4	42.2	41.3	42.0	41.9	44.4	2.2
Machinery, equipment and vehicles	19.3	19.0	19.8	19.5	21.0	21.5	21.6	22.0	22.1	1.1
Land	53.3	55.2	54.8	54.6	54.6	54.5	54.4	54.2	54.2	(0.3)
Other	13.3	14.7	15.1	18.7	20.0	21.9	24.0	29.9	30.9	10.9
Intangible assets	207.5	214.5	212.9	210.9	212.0	207.6	203.0	241.5	241.5	29.4
Goodwill	168.8	166.7	165.2	163.7	163.7	161.6	158.8	169.5	173.2	9.5
Marketing rights	36.2	45.5	45.5	45.2	46.5	44.3	42.8	70.4	67.2	20.7
Other	2.4	2.2	2.1	1.9	1.8	1.6	1.4	1.4	1.0	(0.7)
Investments and other assets	40.9	39.9	41.7	41.3	39.9	41.9	41.7	44.8	42.5	2.5
Investment securities	23.6	22.9	24.7	24.0	24.6	23.4	23.1	24.4	22.7	(1.8)
Net defined benefit asset	-	-	-	-	-	-	-	-	6.4	6.4
Deferred tax assets	7.7	6.7	6.3	6.4	3.8	3.9	3.9	5.5	8.0	4.1
Other	9.5	10.2	10.6	10.9	11.4	14.5	14.6	14.8	5.2	(6.2)
Liabilities	123.4	126.9	112.0	110.9	123.8	98.4	88.8	134.4	113.7	(10.0)
Current liabilities	85.7	89.9	77.3	73.1	85.0	76.7	67.2	108.3	85.1	0.1
Notes and accounts payable-trade	26.3	30.5	23.4	17.9	22.5	26.0	17.5	21.6	22.7	0.1
Short-term loans payable	5.6	5.7	5.8	5.5	6.2	4.8	5.7	4.8	4.8	(1.3)
Accounts payable-other	29.0	32.5	26.5	26.4	36.5	27.3	28.3	31.8	39.2	2.7
Income taxes payable	15.7	8.0	12.8	11.2	10.4	5.4	7.2	5.9	7.7	(2.7)
Provision	1.2	5.1	1.2	5.2	1.8	5.5	1.5	5.8	2.7	0.9
Other	7.7	7.8	7.4	6.7	7.4	7.5	6.6	38.2	7.8	0.4
Non-current liabilities	37.6	36.9	34.6	37.7	38.7	21.7	21.6	26.0	28.5	(10.1)
Deferred tax liabilities	11.2	11.3	11.5	11.4	11.8	11.3	11.3	15.8	16.2	4.4
Net defined benefit liability	-	-	-	-	-	-	-	-	3.7	3.7
Provision	19.9	19.5	19.6	22.9	22.9	6.4	6.3	6.4	3.4	(19.5)
Other	6.4	6.0	3.4	3.4	3.9	3.9	3.9	3.8	5.1	1.2
Net assets	555.8	567.2	579.3	580.3	595.4	591.4	594.3	595.9	605.3	9.9
Shareholders' equity	560.6	565.6	572.8	571.6	578.3	577.8	580.6	576.6	580.4	2.1
Capital stock	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	-
Capital surplus	512.3	512.3	512.3	512.3	512.3	512.3	512.3	512.3	512.3	(0.0)
Retained earnings	48.1	53.1	60.3	59.1	65.8	65.3	68.2	64.2	68.1	2.2
Treasury shares	(26.5)	(26.5)	(26.5)	(26.5)	(26.6)	(26.5)	(26.6)	(26.6)	(26.6)	(0.0)
Accumulated other comprehensive income	(5.7)	0.4	5.2	7.4	15.6	13.3	13.3	18.9	24.5	8.9
Valuation difference on available-for-sale securities	(2.2)	(0.0)	0.9	1.0	1.4	1.2	1.4	2.2	2.7	1.3
Foreign currency translation adjustment	(3.5)	0.4	4.2	6.3	14.2	12.1	11.8	16.7	24.4	10.2
Remeasurements of defined benefit plans	-	-	-	-	-	-	-	-	(2.6)	(2.6)
Subscription rights to shares	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.0
Minority interests	0.8	0.9	1.0	1.0	1.1	-	-	-	-	(1.1)
Total liabilities and net assets	679.3	694.1	691.4	691.2	719.2	689.9	683.1	730.3	719.1	(0.1)

III. Consolidated cash flows

Billions of yen, rounded down

	2012	2013		2014			Breakdown
	Jan-Dec	Jan-Jun	Jan-Dec	Jan-Jun	Jan-Dec	Change	
Cash flows from operating activities	59.1	20.6	56.8	(0.5)	19.3	(37.5)	
Net income before taxes and minority interests	45.0	30.8	49.7	16.7	27.2	(22.5)	Net income 15.8 Tax expense 11.3
Depreciation	20.9	9.9	21.5	10.8	23.8	2.2	Property, plant and equipment 14.9 Intangible assets 8.9
Amortization of goodwill	12.0	5.7	11.5	6.0	12.8	1.2	Reverse acquisition amortization of goodwill 9.2 ProStrakan goodwill 3.1
Increase (decrease) in working capital	(5.8)	(5.5)	(5.6)	(4.6)	(20.1)	(14.4)	Changes in notes and accounts receivable-trade (6.4) Changes in inventories (12.0) Changes in notes and accounts payable-trade (1.7)
Income taxes paid	(15.9)	(16.5)	(23.1)	(11.6)	(16.8)	6.3	
Other	2.9	(3.8)	2.7	(17.9)	(7.5)	(10.3)	Contribution to retirement benefit trust (19.0)
Cash flows from investing activities	(98.7)	(34.2)	(77.1)	1.6	16.8	93.9	
Purchase of property, plant and equipment	(17.5)	(10.7)	(21.5)	(16.3)	(30.4)	(8.8)	
Proceeds from sales of property, plant and equipment	0.4	1.6	1.7	0.1	0.1	(1.5)	
Purchase of intangible assets	(9.3)	(12.7)	(13.1)	(1.9)	(4.1)	8.9	
Purchase of investment securities	(6.4)	(1.9)	(3.8)	(1.1)	(4.5)	(0.7)	
Proceeds from sales of investment securities	2.4	3.7	3.9	0.0	1.2	(2.7)	
Proceeds from sales of shares of subsidiaries and associates	0.0	3.2	3.7	1.0	1.0	(2.7)	
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(0.1)	-	-	-	(14.5)	(14.5)	Purchase of shares of Archimedes (16.9) Cash and deposits held by Archimedes 2.4
Net decrease (increase) in short-term loans receivable	(66.9)	(15.9)	(43.0)	20.4	68.3	111.3	Short-term loan receivable (exceeding 3 months) to Kirin Holdings
Other	(1.1)	(1.3)	(5.0)	(0.5)	(0.3)	4.7	
Cash flows from financing activities	(19.1)	(5.3)	(12.5)	(7.8)	(37.1)	(24.6)	
Net increase (decrease) of loans payable	(0.4)	0.3	0.0	(0.8)	(23.4)	(23.4)	Repayments of loans payable for Archimedes (22.3)
Purchase of treasury shares	(7.5)	(0.0)	(0.1)	(0.0)	(0.1)	0.0	
Cash dividends paid	(11.0)	(5.4)	(12.3)	(6.8)	(13.6)	(1.3)	
Other	(0.1)	(0.0)	(0.1)	(0.0)	0.0	0.1	
Effect of exchange rate change on cash and cash equivalents	1.6	1.0	1.7	(1.0)	(1.2)	(2.9)	
Net increase (decrease) in cash and cash equivalents	(57.2)	(17.8)	(31.0)	(7.8)	(2.2)	28.8	
Cash and cash equivalents at beginning of year	107.5	50.3	50.3	19.2	19.2	(31.0)	
Cash and cash equivalents at end of year*	50.3	32.5	19.2	11.4	17.0	(2.2)	

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

Cash and deposit accounts (consolidated balance sheet)	21.5	24.8	20.1	15.5	20.6	0.4
Fixed deposits in excess of three months	(2.4)	(3.5)	(3.4)	(3.3)	(3.7)	(0.2)
Short-term loans receivable to the parent company not exceeding three months ¹	31.1	11.1	3.1	0.1	0.0	(3.0)
Current loans payable as negative cash equivalents (short-term loans payable)	-	-	(0.6)	(0.9)	-	0.6
Cash and cash equivalents at end of year (consolidated cash flows)	50.3	32.5	19.2	11.4	17.0	(2.2)
Fixed deposits in excess of three months	2.4	3.5	3.4	3.3	3.7	0.2
Short-term loans receivable to the parent company in excess of three months ¹	67.0	83.0	110.0	89.5	41.5	(68.5)
Cash reserves at end of year	119.7	119.0	132.6	104.2	62.2	(70.4)

¹ Based on cash management system (CMS) provided by our parent, Kirin Holdings, to each group company.

IV. Consolidated Subsidiaries and Affiliates

(As of December 31, 2014)

Segment	Type	Region	Company name	Percentage owned (direct and indirect)	Principal business
Pharmaceuticals	Consolidated subsidiary	Japan	Kyowa Medex Co., Ltd.	100.0%	Manufacture and sale of diagnostic reagents
			Kyowa Medical Promotion Co., Ltd.	100.0%	Promotion and sales of pharmaceuticals
			Chiyoda Kaihatsu Co., Ltd.	100.0%	Contracting, wholesale and retail and insurance agency business
		The Americas	Kyowa Hakko Kirin America, Inc.	100.0%	Supervision and management of subsidiaries (US)
			BioWa, Inc.	100.0%	Out-licensing of anti-body technology and accelerating research collaborations (US)
			Kyowa Hakko Kirin Pharma, Inc.	100.0%	Development of new candidate substances under contract (US)
			Kyowa Hakko Kirin California, Inc.	100.0%	Generation of new candidate substances under contract (US)
			ProStrakan Inc.	100.0%	Sales of pharmaceuticals (US)
			Archimedes Pharma US Inc.	100.0%	Licensing of pharmaceuticals (US)
		Europe	ProStrakan Group plc	100.0%	Supervision and management of special companies (UK)
			Strakan Inernational S.a r.l.	100.0%	Sales, licensing-in and licensing-out of pharmaceuticals (UK)
			Strakan Pharmaceuticals Limited	100.0%	Development of pharmaceuticals (UK)
			ProStrakan Limited	100.0%	Sales of pharmaceuticals (UK)
			ProStrakan Pharma S.A.S	100.0%	Sales of pharmaceuticals (France)
			ProStrakan Farmaceutica SLU	100.0%	Sales of pharmaceuticals (Spain)
			ProStrakan Pharma GmbH	100.0%	Sales of pharmaceuticals (Germany)
			ProStrakan Holdings B.V.	100.0%	Holding company for subsidiaries (Netherlands)
			ProStrakan Pharma B.V.	100.0%	Sales of pharmaceuticals (Netherlands)
			ProStrakan S.r.l.	100.0%	Sales of pharmaceuticals (Italy)
			ProStrakan AB	100.0%	Sales of pharmaceuticals (Sweden)
			Archimedes Pharma Limited	100.0%	Supervision and management of subsidiaries (UK)
			Archimedes Development Limited	100.0%	Development of pharmaceuticals (UK)
			Archimedes Holdings Limited	100.0%	Holding company for subsidiaries (UK)
			Archimedes Pharma Europe Limited	100.0%	Holding company for subsidiaries (UK)
			Archimedes Pharma UK Limited	100.0%	Sales of pharmaceuticals (UK)
			Archimedes Pharma Ibérica S.L.	100.0%	Sales of pharmaceuticals (Spain)
		Archimedes Pharma France SAS	100.0%	Sales of pharmaceuticals (France)	
	Archimedes Pharma Germany GMBH	100.0%	Sales of pharmaceuticals (Germany)		
	Archimedes Pharma Ireland Limited	100.0%	Sales of pharmaceuticals (Ireland)		
	Asia	Kyowa Hakko Kirin China Pharmaceutical Co., Ltd.	100.0%	Manufacture and sale of pharmaceuticals (China)	
Kyowa Hakko Kirin Korea Co., Ltd.		100.0%	Sales of pharmaceuticals (Korea)		
Kyowa Hakko Kirin (Taiwan) Co., Ltd.		100.0%	Sales of pharmaceuticals (Taiwan)		
Kyowa Hakko Kirin (Hong Kong) Co., Ltd.		100.0%	Sales of pharmaceuticals (Hong Kong)		
Kyowa Hakko Kirin (Singapore) Pte. Ltd.		100.0%	Research and sale of pharmaceuticals (Singapore)		
Entity accounted for using equity method	Japan	FUJIFILM KYOWA KIRIN BIOLOGICS Co., Ltd.	50.0%	Development, manufacture and sale of biosimilar pharmaceuticals	
Bio-Chemicals	Japan	Kyowa Hakko Bio Co., Ltd.	100.0%	Manufacture and sale of pharmaceutical and industrial raw materials, and health care products	
		Daiichi Fine Chemical Co., Ltd.	100.0%	Manufacture and sale of active pharmaceutical ingredients and pharmaceutical intermediates	
		Kyowa Engineering Co., Ltd.	100.0%	Design and installation of plant facilities and equipment	
	The Americas	BioKyowa Inc.	100.0%	Manufacture and sale of amino acids (US)	
		Kyowa Hakko U.S.A., Inc.	100.0%	Sale of fine chemicals including amino acids (US)	
		Kyowa Hakko Bio U.S. Holdings, Inc.	100.0%	Supervision and management of subsidiaries (US)	
	Europe	Kyowa Hakko Europe GmbH	100.0%	Sale of fine chemicals including amino acids (Germany)	
		Kyowa Hakko Bio Italia S.r.l.	100.0%	Sale of fine chemicals including amino acids (Italy)	
	Asia	Shanghai Kyowa Amino Acid Co., Ltd.	100.0%	Manufacture and sale of amino acids (China)	
		Thai Kyowa Biotechnologies Co., Ltd.	100.0%	Manufacture and sale of amino acids (Thailand)	
		Kyowa Hakko (H.K.) Co., Ltd.	100.0%	Sale of fine chemicals including amino acids (Hong Kong)	
		Kyowa Hakko Bio Singapore Pte. Ltd.	100.0%	Sale of fine chemicals including amino acids (Singapore)	

Changes in scope of consolidation resulting in changes in subsidiaries (2014.1.1~2014.12.31)

New: 13 companies. Archimedes Pharma Limited and its 12 subsidiaries (*2)

Exclusions: None

*1 Japan Synthetic Alcohol Co., Ltd. has been excluded from the scope of entities accounted for using equity method following the disposal of all shares in the company on June 4, 2014.

*2 Archimedes Pharma Limited and its 12 subsidiaries (including 3 dormant companies), which were acquired by ProStrakan Group Plc on August 5, 2014, are new consolidated subsidiaries of Kyowa Hakko Kirin.

V. Kyowa Hakko Kirin Sales of main products

Accumulative

Billions of yen, rounded down

	FY 2013 results				FY 2014 results										FY2015 Forecast				
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	%	Jan - Dec	Change amount	%	Jan-Dec latest forecasts	% of forecasts	Jan - Jun	%	Jan - Dec	%
Kyowa Hakko Kirin total	56.4	106.4	157.0	210.9	52.1	92%	97.0	91%	143.1	91%	201.7	(9.1)	96%	202.0	100%	100.9	104%	205.8	102%
Indication / Product name																			
<i>ESA formulation</i> Nesp	10.6	25.0	39.7	56.0	12.1	114%	25.9	104%	40.1	101%	55.3	(0.7)	99%	54.9	101%	26.2	102%	55.7	101%
<i>ESA formulation</i> Espo	0.7	1.5	2.3	3.2	0.6	86%	1.2	80%	1.8	78%	2.4	(0.7)	75%	2.5	95%	0.9	75%	1.8	78%
<i>Secondary hyperparathyroidism</i> Regpara	3.0	6.9	10.6	15.1	4.5	148%	7.6	111%	11.7	110%	16.3	1.1	108%	16.0	102%	8.6	113%	17.8	109%
<i>Secondary hyperparathyroidism</i> Rocaltrol	0.7	1.8	2.8	4.1	1.1	143%	2.1	118%	3.3	116%	4.6	0.5	114%	4.4	106%	2.3	109%	5.1	109%
<i>Type-2 diabetes</i> Onglyza	-	-	1.1	1.1	0.0	-	0.1	-	0.4	37%	1.2	0.0	109%	1.7	70%	1.9	-	4.6	372%
<i>Cardiovascular</i> Coniel	3.5	7.6	11.3	15.5	3.2	91%	6.2	82%	9.0	79%	12.0	(3.4)	78%	12.3	98%	4.8	78%	9.4	79%
<i>Cardiovascular (Hypertension)</i> Coversyl	0.7	1.6	2.5	3.4	0.7	95%	1.4	88%	2.1	85%	2.8	(0.5)	83%	3.0	96%	1.2	82%	2.3	82%
<i>Sustained-duration G-CSF</i> G-Lasta	-	-	-	-	-	-	-	-	-	-	0.3	0.3	-	-	-	2.5	-	7.2	-
<i>G-CSF</i> Gran	2.5	5.8	9.0	12.4	2.0	81%	4.4	76%	6.7	75%	9.2	(3.1)	74%	8.5	108%	3.0	68%	5.8	63%
<i>Transdermal persistent pain</i> Fentos	1.0	2.3	3.7	5.3	1.1	114%	2.6	112%	4.1	112%	5.9	0.5	110%	6.2	95%	3.1	119%	6.7	114%
<i>Anticancer</i> Poteligeo	0.2	0.5	0.8	1.1	0.2	97%	0.6	129%	1.1	130%	1.5	0.3	132%	1.4	109%	0.9	138%	2.0	128%
<i>Anticancer</i> 5-FU	0.6	1.3	2.0	2.7	0.5	93%	1.1	89%	1.8	90%	2.4	(0.2)	91%	2.4	102%	1.1	100%	2.4	97%
<i>Anticancer</i> Navelbine	0.2	0.5	0.8	1.1	0.2	83%	0.4	79%	0.6	79%	0.8	(0.2)	78%	0.8	101%	0.3	88%	0.7	87%
<i>Chronic idiopathic thrombocytopenic purpura</i> Romiplate	0.4	1.1	1.7	2.5	0.5	122%	1.2	110%	1.9	110%	2.7	0.2	108%	2.5	107%	1.3	109%	2.8	102%
<i>Antiallergic</i> Allelock	10.7	15.9	20.9	27.6	8.4	78%	13.4	84%	17.9	86%	23.6	(4.0)	85%	23.5	100%	11.1	83%	18.9	80%
<i>Antiallergic eyedrops</i> Patanol	9.4	10.1	11.4	13.4	7.1	75%	8.1	81%	9.9	87%	11.8	(1.5)	89%	11.7	101%	8.5	104%	11.8	99%
<i>Inflammatory bowel disease</i> Asacol	1.0	2.4	3.8	5.4	1.5	140%	2.7	112%	4.2	110%	5.9	0.5	109%	5.9	101%	3.2	118%	6.8	114%
<i>Psoriasis vulgaris</i> Dovobet	-	-	-	-	-	-	-	-	0.3	-	1.1	1.1	-	-	-	2.3	-	5.0	429%
<i>Parkinson's disease</i> Nourias	-	0.0	0.2	0.5	0.2	-	0.8	-	1.7	696%	2.8	2.2	535%	3.7	76%	2.4	282%	5.7	203%
<i>Antiepileptic</i> Depakene	2.3	5.0	7.7	10.5	2.3	100%	4.6	92%	6.9	90%	9.4	(1.1)	89%	9.6	97%	4.3	94%	8.7	93%
<i>Gastrointestinal</i> Nauzelin	1.0	2.1	3.1	4.5	1.0	99%	1.9	91%	2.7	89%	3.8	(0.6)	85%	4.1	93%	1.9	99%	3.8	99%
Exports and Technology Out-Licensing																			
Exports	3.2	5.4	8.1	10.4	3.4	107%	6.7	124%	9.1	113%	11.6	1.2	112%	10.9	106%	7.0	104%	13.0	112%
Technology Out-Licensing	4.8	9.7	13.8	15.3	2.0	42%	4.1	43%	6.4	47%	13.9	(1.3)	91%	14.1	99%	4.6	113%	8.3	59%

V. Kyowa Hakko Kirin Sales of main products

Quarterly

Billions of yen, rounded down

	FY 2013 results				FY 2014 results								
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	%	Apr - Jun	%	Jul - Sep	%	Oct - Dec	Change amount	%
Kyowa Hakko Kirin total	56.4	50.0	50.5	53.8	52.1	92%	44.8	90%	46.1	91%	58.6	4.7	109%
Indication / Product name													
ESA formulation Nesp	10.6	14.3	14.7	16.3	12.1	114%	13.7	96%	14.2	97%	15.2	(1.1)	93%
ESA formulation Espo	0.7	0.8	0.8	0.8	0.6	86%	0.6	75%	0.5	73%	0.5	(0.2)	68%
Secondary hyperparathyroidism Regpara	3.0	3.8	3.7	4.4	4.5	148%	3.0	81%	4.0	107%	4.6	0.1	103%
Secondary hyperparathyroidism Rocaltrol	0.7	1.0	1.0	1.2	1.1	143%	1.0	99%	1.1	114%	1.3	0.1	108%
Type-2 diabetes Onglyza	-	-	1.1	0.0	0.0	-	0.1	-	0.2	25%	0.8	0.8	-
Cardiovascular Coniel	3.5	4.0	3.7	4.1	3.2	91%	2.9	73%	2.8	75%	3.0	(1.1)	73%
Cardiovascular (Hypertension) Coversyl	0.7	0.9	0.8	0.9	0.7	95%	0.7	82%	0.6	78%	0.7	(0.2)	78%
Sustained-duration G-CSF G-Lasta	-	-	-	-	-	-	-	-	-	-	0.3	0.3	-
G-CSF Gran	2.5	3.2	3.1	3.4	2.0	81%	2.3	72%	2.3	74%	2.4	(0.9)	72%
Transdermal persistent pain Fentos	1.0	1.3	1.3	1.6	1.1	114%	1.4	110%	1.5	112%	1.7	0.0	105%
Anticancer Poteligeo	0.2	0.2	0.3	0.3	0.2	97%	0.4	160%	0.4	131%	0.4	0.1	137%
Anticancer 5-FU	0.6	0.7	0.6	0.7	0.5	93%	0.6	86%	0.6	92%	0.6	(0.0)	95%
Anticancer Navelbine	0.2	0.2	0.2	0.2	0.2	83%	0.2	76%	0.2	78%	0.2	(0.0)	77%
Chronic idiopathic thrombocytopenic purpura Romiplate	0.4	0.6	0.6	0.7	0.5	122%	0.6	101%	0.7	111%	0.7	0.0	103%
Antiallergenic Allelock	10.7	5.2	4.9	6.7	8.4	78%	4.9	95%	4.5	92%	5.6	(1.0)	85%
Antiallergic eyedrops Patanol	9.4	0.6	1.3	1.9	7.1	75%	1.0	162%	1.7	130%	1.9	(0.0)	98%
Inflammatory bowel disease Asacol	1.0	1.3	1.4	1.6	1.5	140%	1.2	89%	1.5	107%	1.7	0.1	107%
Psoriasis vulgaris Dovobet	-	-	-	-	-	-	-	-	0.3	-	0.8	0.8	-
Parkinson's disease Nouria	-	0.0	0.1	0.2	0.2	-	0.5	693%	0.8	527%	1.1	0.8	393%
Antiepileptic Depakene	2.3	2.7	2.6	2.8	2.3	100%	2.3	86%	2.2	86%	2.4	(0.3)	87%
Gastrointestinal Nauzelin	1.0	1.1	0.9	1.4	1.0	99%	0.9	82%	0.8	84%	1.1	(0.3)	77%
Exports and Technology Out-Licensing													
Exports	3.2	2.2	2.6	2.3	3.4	107%	3.3	147%	2.3	90%	2.5	0.2	110%
Technology Out-Licensing	4.8	4.8	4.0	1.5	2.0	42%	2.0	43%	2.2	56%	7.5	6.0	501%

VI. Segment information and main subsidiaries operating profit or loss

1. Pharmaceuticals segment

(1) Pharmaceuticals segment total

Billions of yen, rounded down

	FY 2013 results				FY 2014 results										FY 2015 forecasts				
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	%	Jan - Dec	Change Amount	%	Jan - Dec latest forecasts	% of forecasts	Jan - Jun	%	Jan - Dec	%
Net sales	67.4	129.9	192.7	261.0	63.1	94%	119.5	92%	178.6	93%	253.0	(7.9)	97%	254.0	100%	130.0	109%	270.0	107%
Japan sales	55.2	105.7	155.8	209.3	49.6	90%	92.3	87%	137.3	88%	195.1	(14.1)	93%	197.5	99%	95.4	103%	199.1	102%
Overseas sales	12.1	24.2	36.9	51.6	13.5	112%	27.2	112%	41.3	112%	57.8	6.1	112%	56.5	102%	34.5	127%	70.8	122%
America	3.3	7.0	10.3	15.8	3.4	103%	7.2	104%	10.3	100%	13.4	(2.4)	85%	13.5	99%	8.1	112%	16.2	121%
Europe	5.8	10.9	17.1	23.0	6.8	118%	13.2	121%	20.6	121%	30.0	6.9	130%	29.2	103%	18.3	138%	37.7	126%
Asia and others	2.9	6.2	9.4	12.7	3.1	107%	6.6	107%	10.4	110%	14.3	1.6	113%	13.8	104%	8.1	122%	16.8	117%
Operating income	13.0	24.1	36.9	46.1	9.4	72%	14.1	59%	20.6	56%	29.0	(17.0)	63%	35.0	83%	12.0	85%	32.0	110%

(2) ProStrakan (GBP)

Millions of GBP, rounded down

	FY 2013 results				FY 2014 results										FY 2015 forecasts				
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	%	Jan - Dec	Change Amount	%	Jan - Dec latest forecasts	% of forecasts	Jan - Jun	%	Jan - Dec	%
Net sales	35.7	74.2	113.8	155.4	38.4	107%	78.0	105%	125.3	110%	181.4	25.9	117%	179.4	101%	110.4	142%	238.7	132%
Cancer pain Abstral	10.5	22.1	34.3	47.1	12.1	115%	25.7	116%	40.6	119%	55.8	8.7	119%	54.8	102%	28.5	111%	59.6	107%
Cancer pain PecFent	-	-	-	-	-	-	-	-	2.4	-	7.5	7.5	-	7.7	98%	10.4	-	23.3	309%
Chemotherapy-induced nausea and vomiting drug Sancuso	3.0	6.2	9.3	13.8	2.7	90%	6.3	101%	10.0	107%	14.0	0.2	101%	14.2	99%	7.9	125%	17.0	122%
Replacement therapy with testosterone for male hypogonadism Tostran	1.8	4.9	8.7	12.4	2.7	146%	5.9	121%	9.2	106%	13.0	0.6	105%	14.2	92%	6.9	117%	13.8	106%
Relief of pain associated with chronic anal fissures Rectogesic	2.9	6.3	9.2	12.7	2.7	93%	5.6	90%	8.4	91%	11.5	(1.2)	90%	11.2	102%	5.4	96%	10.7	93%
Osteoporosis drug Adcal-D3	6.7	13.5	20.6	28.4	7.1	106%	13.9	103%	21.3	103%	29.3	0.9	103%	28.6	102%	13.8	99%	28.4	97%
Others	7.0	14.0	20.8	26.6	7.9	113%	15.3	109%	27.9	134%	44.4	17.8	167%	42.9	104%	36.3	237%	83.9	189%
Product net sales (subtotal)	32.2	67.2	103.2	141.2	35.4	110%	72.9	108%	120.0	116%	175.9	34.6	125%	173.9	101%	109.5	150%	236.9	135%
Technology Out-Licensing and others	3.4	6.9	10.6	14.1	2.9	84%	5.0	73%	5.2	50%	5.4	(8.6)	39%	5.4	100%	0.8	17%	1.7	32%
Gross profit	27.4	57.0	87.6	116.5	28.8	105%	58.7	103%	91.0	104%	129.1	12.6	111%	125.7	103%	79.3	135%	165.7	128%
Selling, general and administrative expenses *1	19.3	39.7	56.8	75.0	17.8	92%	35.2	89%	55.0	97%	80.0	5.0	107%	81.8	98%	48.7	139%	96.4	121%
EBITDA *2	8.0	17.2	30.8	41.5	10.9	136%	23.5	136%	35.9	117%	49.1	7.5	118%	43.9	112%	30.5	130%	69.2	141%
Amortization of goodwill and marketing rights **	9.9	19.9	29.8	39.9	9.9	100%	19.9	100%	33.2	111%	49.2	9.2	123%	48.3	102%	32.0	161%	64.3	131%
Operating income	(1.8)	(2.6)	0.9	1.5	1.0	-	3.5	-	2.6	284%	(0.1)	(1.6)	-	(4.4)	-	(1.4)	-	4.8	-

*1 Amortization of goodwill and marketing rights is not included in Selling, general and administrative expenses:

Amortization of goodwill and marketing rights= Depreciation + amortization of goodwill

*2 EBITDA=Operating income + depreciation + amortization of goodwill

*3 Archimedes was acquired by ProStrakan on August 3, 2014 and from August 2014, Archimedes financial results will be consolidated with those of ProStrakan.

*4 Geographical breakdown of sales for Jan - Dec 2014 is as follows:

UK	Europe (excluding UK)	USA	Other
33.0%	48.2%	17.3%	1.5%

(3) Kyowa Medex Co., Ltd.

Billions of yen, rounded down

	FY 2013 results				FY 2014 results										FY 2015 forecasts				
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	%	Jan - Dec	Change Amount	%	Jan - Dec latest forecasts	% of forecasts	Jan - Jun	%	Jan - Dec	%
Net sales	2.5	5.4	8.4	11.7	2.6	105%	5.7	104%	8.4	100%	11.7	(0.0)	100%	12.0	98%	5.8	103%	12.2	104%
Japan sales	2.0	4.5	6.9	9.6	2.1	105%	4.6	103%	7.0	101%	9.7	0.0	101%	9.9	98%	4.9	105%	10.2	106%
Biochemical Diagnostic Reagent	0.8	1.8	2.8	4.0	0.8	103%	1.9	101%	2.9	101%	4.0	0.0	100%	4.1	98%	1.9	104%	4.1	104%
Immunological Diagnostic Reagent	1.0	2.2	3.4	4.7	1.0	104%	2.3	104%	3.4	102%	4.7	0.0	101%	4.8	99%	2.4	104%	5.0	106%
Other	0.2	0.3	0.6	0.8	0.2	110%	0.4	106%	0.6	97%	0.8	0.0	103%	0.9	95%	0.5	119%	1.0	117%
Exports	0.4	0.9	1.5	2.1	0.5	109%	1.0	114%	1.4	95%	2.0	(0.1)	95%	2.1	96%	0.9	95%	1.9	96%
Operating income	0.0	0.2	0.4	0.8	0.0	108%	0.3	151%	0.4	92%	0.7	(0.1)	88%	1.0	72%	0.3	107%	1.1	146%

VI. Segment information and main subsidiaries operating profit or loss

2. Bio-Chemicals segment

(1) Bio-Chemicals segment total

Billions of yen, rounded down

	FY 2013 results				FY 2014 results										FY 2015 forecasts				
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	%	Jan - Dec	Change Amount	%	Jan - Dec latest forecasts	% of forecasts	Jan - Jun	%	Jan - Dec	%
Net sales	19.9	41.2	61.5	82.9	23.5	118%	44.0	107%	62.7	102%	83.9	1.0	101%	85.0	99%	44.0	100%	89.0	106%
Japan sales	11.5	23.4	35.3	48.0	12.9	112%	25.1	107%	35.2	100%	47.6	(0.4)	99%	47.7	100%	23.8	95%	48.7	102%
Overseas sales	8.4	17.7	26.2	34.8	10.6	127%	18.8	107%	27.4	105%	36.3	1.4	104%	37.3	97%	20.2	107%	40.3	111%
America	1.8	4.1	5.9	8.0	2.0	109%	4.1	100%	6.2	104%	8.2	0.2	103%	8.6	96%	4.6	111%	9.2	111%
Europe	3.6	7.5	11.0	14.1	4.1	115%	8.0	107%	12.0	109%	15.6	1.4	110%	16.1	97%	8.6	106%	16.7	107%
Asia and others	2.9	5.9	9.2	12.6	4.4	152%	6.6	111%	9.2	100%	12.4	(0.2)	98%	12.6	98%	7.0	105%	14.4	116%
Operating income	1.4	3.1	4.5	5.6	3.0	206%	4.2	136%	5.6	126%	7.2	1.6	128%	8.0	91%	4.5	107%	9.5	131%

(2) Kyowa Hakko Bio Co., Ltd.

Billions of yen, rounded down

	FY 2013 results				FY 2014 results										FY 2015 forecasts				
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	%	Jan - Dec	Change Amount	%	Jan - Dec latest forecasts	% of forecasts	Jan - Jun	%	Jan - Dec	%
Net sales	13.8	27.8	42.2	57.5	17.3	125%	31.5	113%	44.5	105%	58.0	0.5	101%	59.3	98%	30.2	96%	60.6	104%
Japan sales	8.8	17.8	26.8	36.1	9.9	112%	19.1	107%	27.1	101%	35.7	(0.3)	99%	36.3	98%	18.0	94%	36.4	102%
Pharmaceutical and industrial materials	3.8	7.5	11.3	15.3	4.2	113%	8.1	108%	11.4	101%	14.9	(0.4)	97%	14.9	100%	6.8	84%	14.1	95%
Healthcare	2.4	5.3	8.0	11.0	2.6	108%	5.4	102%	8.2	101%	11.0	0.0	100%	11.3	97%	6.0	112%	12.8	116%
Other	2.5	5.0	7.3	9.7	2.9	115%	5.5	110%	7.5	102%	9.8	0.0	101%	9.9	98%	5.0	92%	9.4	97%
Exports	4.9	10.0	15.4	21.4	7.4	149%	12.3	124%	17.3	113%	22.3	0.8	104%	23.0	97%	12.1	98%	24.1	108%
Operating income	1.2	2.2	3.4	4.6	2.7	218%	3.6	164%	4.7	139%	5.6	0.9	120%	5.6	99%	3.0	83%	6.5	117%

(3) DAIICHI FINE CHEMICAL CO., LTD.







Billions of yen, rounded down

	FY 2013 results				FY 2014 results										FY 2015 forecasts				
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	%	Jan - Jun	%	Jan - Sep	%	Jan - Dec	Change Amount	%	Jan - Dec latest forecasts	% of forecasts	Jan - Jun	%	Jan - Dec	%
Net sales	2.9	5.8	8.4	12.1	3.5	121%	6.9	120%	9.4	111%	13.3	1.2	110%	13.3	100%	6.1	89%	13.0	98%
Operating income	(0.0)	(0.2)	(0.5)	(0.9)	(0.0)	-	(0.0)	-	(0.1)	-	0.3	1.3	-	0.3	103%	0.8	-	1.6	416%















VII. R&D Pipeline



Filed • Approved  antibody  protein  small molecule

As of Jan. 23, 2015

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Nephrology		KRN 1493 Cinacalcet Hydrochloride Oral	Calcium Receptor Agonist	Secondary Hyperparathyroidism	Approved in PH	Licensed from NPS	
Oncology		KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Adult T-cell Leukemia/Lymphoma, Add-on Therapy (for Untreated Patients)	Approved in JP	In-House	POTELLIGENT®
		Granisetron Patch	5-HT ₃ Serotonin Receptor Antagonist	Chemotherapy induced Nausea and Vomiting	NDA in preparation in MY	Licensed from Solasia Pharma (ProStrakan)	Launched by ProStrakan as Sancuso®
Other		KRN 321 Darbepoetin Alfa Injection	Long-Acting Erythropoiesis Stimulating Agent	Myelodysplastic Syndrome related Anemia	Approved in JP	Kirin-Amgen	
		©KW-3357 Antithrombin Gamma Injection	Recombinant Human Antithrombin	Disseminated Intravascular Coagulation, Congenital Antithrombin Deficiency	Filed in JP	In-House	
		AMG 531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Idiopathic (Immune) Thrombocytopenic Purpura	Approved in SG Filed in HK, TH and TW NDA in preparation in MY	Kirin-Amgen	

Phase II, Phase III











Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Nephrology		KRN 321 Darbepoetin Alfa Injection	Long-Acting Erythropoiesis Stimulating Agent	Renal Anemia (on Dialysis)	Phase III in CN	Kirin-Amgen	
		©RTA 402 Bardoxolone Methyl Oral	Antioxidant Inflammation Modulator	CKD in Patients with Type 2 Diabetes	Phase II in JP	Reata	A new Phase II study in CKD patients with type 2 diabetes will be conducted in JP.
		©KHK 7580 Oral	Calcium Receptor Agonist	Secondary Hyperparathyroidism	Phase II in JP	Licensed from Mitsubishi Tanabe Pharma	
Oncology		©ARQ 197 Tivantinib Oral	c-Met Inhibitor	Hepatocellular Cancer	Phase III in JP	ArQule	
		©B I W-8962 Injection	Anti-GM2 Humanized Antibody	Cancer	Phase I / IIa in KR	In-House	POTELLIGENT®
		KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Peripheral T-cell Lymphoma Adult T-cell Leukemia/Lymphoma Cutaneous T-cell Lymphoma	Phase II in EU Phase II in US, EU and others Phase III in US, EU and JP	In-House	POTELLIGENT®
		AMG 531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Aplastic Anemia	Phase II in KR	Kirin-Amgen	
Immunology /Allergy		©KHK 4563 Benralizumab Injection	Anti-IL-5 Receptor Humanized Antibody	Asthma	Phase III in JP and KR	In-House	Jointly Developed with AstraZeneca/MedImmune in Japan and South Korea POTELLIGENT®
		©ASKP 1240 Injection	Anti-CD40 Fully Human Antibody	Organ Transplant Rejection	Phase I in JP Phase II in US	In-House	Jointly Developed with Astellas KM mouse
		Z-206 Mesalazine Oral	pH Dependent Controlled Release Tablet	Ulcerative Colitis	Phase III in JP	Licensed from Zeria Pharma	Jointly Developed with Zeria Pharma The Phase III study is conducted to seek a new dose regimen
		©KHK 4827 Brodalumab Injection	Anti-IL-17 Receptor Fully Human Antibody	Psoriasis	Phase III in JP	Kirin-Amgen	
		©KHK 4577 Oral	Anti-inflammatory Agent	Atopic Dermatitis	Phase II in JP	In-House	
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		©KRN 23 Injection	Anti-FGF23 Fully Human Antibody	X-linked Hypophosphatemic Rickets (XLH) in pediatric patients	Phase II in US and EU	In-House	Jointly Developed with Ultragenyx KM mouse


 Updated since Oct 21rd, 2014 (Area, Stage, Filed, Approved, etc.)
 New Molecular Entity

VII. R&D Pipeline

Ph I  antibody  protein  small molecule





As of Jan. 23, 2015

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
		ⓄKHK2804/ CEP-37250 Injection	Anti-Tumor Specific Glycoprotein Humanized Antibody	Cancer	Phase I in US	Licensed from Teva	Jointly Developed with Teva POTELLIGENT®
		ⓄKHK2898 Injection	Anti-CD98 Fully Human Antibody	Cancer	Phase I in SG	In-House	POTELLIGENT® KM mouse
		ⓄKHK2823 Injection	Anti-CD123 Fully Human Antibody	Cancer	Phase I in UK	In-House	POTELLIGENT® KM mouse
		KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Solid Tumor	Phase I in US	In-House	Jointly Developed with AstraZeneca in combination with MEDI4736/tremelimumab POTELLIGENT®
Immunology /Allergy		KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Asthma	Phase I in JP	In-House	POTELLIGENT®
		ⓄKHK4083 Injection	Immunomodulator Antibody	Autoimmune diseases	Phase I in CA	In-House	POTELLIGENT® KM mouse
Central Nervous System		ⓄKHK6640 Injection	Anti-Amyloid Beta Peptide Antibody	Alzheimer's Disease	Phase I in EU	Licensed from Immunas Pharma	
Other		ⓄKRN23 Injection	Anti-FGF23 Fully Human Antibody	X-linked Hypophosphatemic Rickets/Osteomalacia (XLH) in adult patients	Phase I / II in US and CA Phase I in JP and KR	In-House	Jointly Developed with Ultragenyx KM mouse
		ⓄKW-3357 Antithrombin Gamma Injection	Recombinant Human Antithrombin	Disseminated Intravascular Coagulation, Congenital Antithrombin Deficiency	Phase I in EU		


 Updated since Oct 21rd, 2014 (Area, Stage, Filed, Approved, etc.)
 Ⓞ New Molecular Entity

Updated since Oct 21st, 2014 (Area, Stage, Filed, Approved, etc.)

Filed • Approved

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Nephrology		KRN1493 Cinacalcet Hydrochloride Oral	Calcium Receptor Agonist	Secondary Hyperparathyroidism	Approved in PH	Licensed from NPS	
Oncology		KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Adult T-cell Leukemia/Lymphoma. Add-on Therapy (for Untreated Patients)	Approved in JP	In-House	POTELLIGENT®
		KRN321 Darbepoetin Alfa Injection	Long-Acting Erythropoiesis Stimulating Agent	Myelodysplastic Syndrome related Anemia	Approved in JP	Kirin-Amgen	
Other		AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Idiopathic (Immune) Thrombocytopenic Purpura	Approved in SG	Kirin-Amgen	

Phase I

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Oncology		KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Solid Tumor	Phase I in US	In-House	Jointly Developed with AstraZeneca in combination with MEDI4736/tremelimumab POTELLIGENT®

<Appendix> Pipeline of Biosimilar (Fujifilm Kyowa Kirin Biologics)

Phase III

As of January 23rd 2015

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

Phase I

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