

FY2021-2025 Medium Term Business Plan

February 4, 2021

Kyowa Kirin Co., Ltd.



This document contains certain forward-looking statements relating to such items as the Company's forecasts, targets and plans (including those of its domestic and overseas subsidiaries). These forward-looking statements are based upon information available to the Company at the present time and upon reasonable assumptions made by the Company in making its forecasts, but actual results may differ substantially due to uncertain factors.

These uncertain factors include, but are not limited to, inherent risks in the business activities of the pharmaceutical industry in Japan and overseas, intellectual property risks, risk of product side effects, legal regulation risks, product defect risks, risks of changes to prices for raw materials, risks of changes to market prices, as well as risks of changes to foreign exchange rates and financial markets.

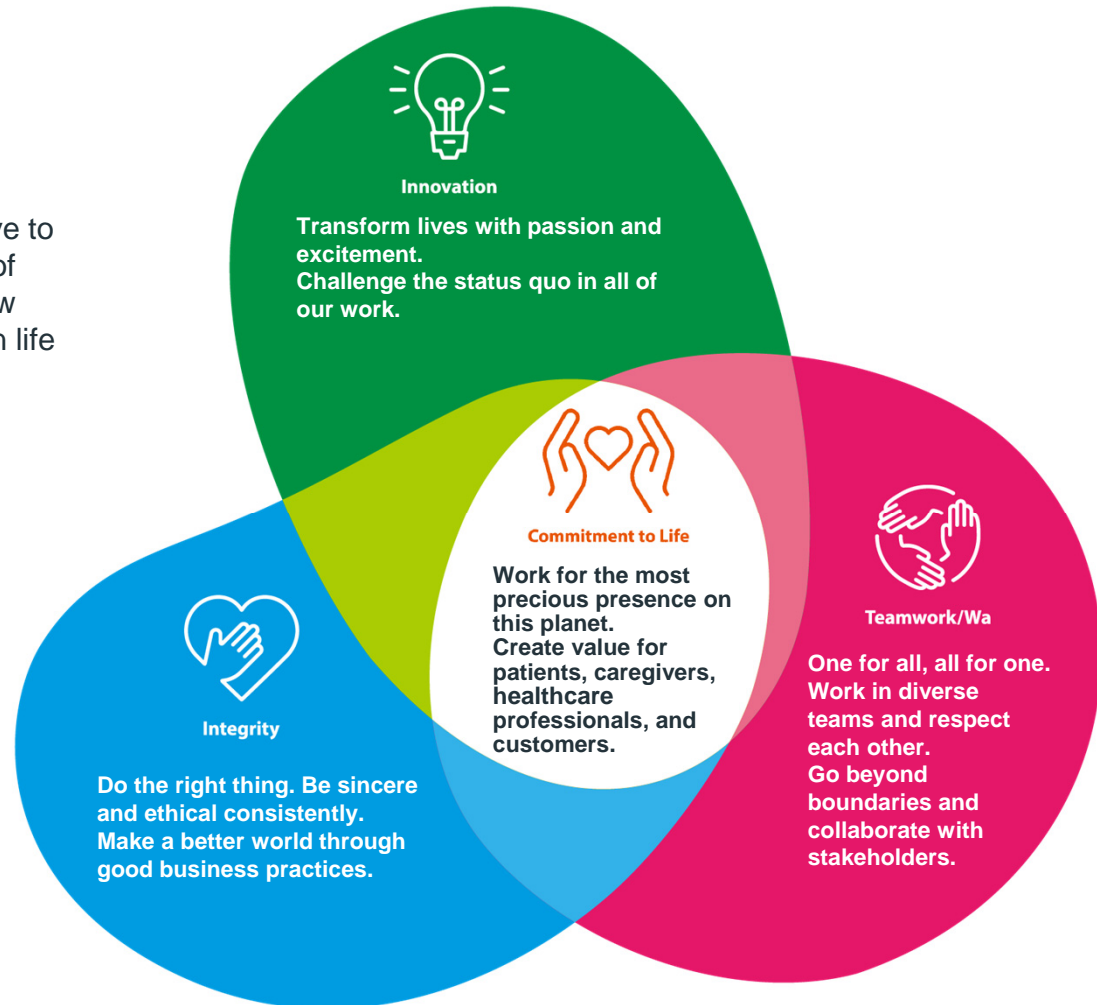
This document is provided to investors for informational purposes only. It contains information on pharmaceutical products (including products under development), but the contents should not be construed as promotion, advertising or as a medical recommendation.

Our Philosophy

The Kyowa Kirin Group companies strive to contribute to the health and well-being of people around the world by creating new value through the pursuit of advances in life sciences and technologies.

Core Values

"Core Values" are a way of thinking and attitude that supports the activity of each officer and employee belonging to the Kyowa Kirin Group. It consists of the core concept "Commitment to Life" and three key words.



Review of FY2016-2020 Medium Term Business Plan

FY2016-2020 Medium Term Business Plan (MTBP): To be in FY2020

Leaping Forward for Global Specialty Pharmaceutical Company (GSP)

Four Strategic Pillars

Improvement of Global Competitiveness

Creating Innovation

Continuous Improvement for Operational Excellence

Contribution to Health and Well-being of People

Financial Strategy

Sustainable Growth

Core Operating Profit

¥100 billion or more

Transformation into GSP

Overseas Revenue Ratio

50 %

Increasing Shareholder Value

ROE

10 % or higher

Review of FY2016-2020 MTBP: Qualitative Summary

Improvement of Global Competitiveness

- Results** Achieved strong growth, supported by our successful launch of global products in the US and Europe
- Issues** Reinforce sales channels in the US and Europe and global structures for quality, demand forecasting, and stable supplies

Creating Innovation

- Results** Progressed late-stage development compounds and reinforced research pipeline by combining in-house and external technologies
- Issues** Continue to strengthen the pipeline, and further reinforce drug discovery technologies to drive future growth

Continuous Improvement for Operational Excellence

- Results** Strengthened domestic products by focusing resources on priority categories and launched OKK structure*
- Issues** Rigorously enforce compliance, foster a corporate culture with high awareness of risk, and accelerate digital transformation (DX)

Contribution to Health and Well-being of People

- Results** Responded to society's needs for tighter control of medical expenses with launch of Nesp-AG and biosimilars
- Issues** Continue to provide solutions that address increasingly diverse medical needs

* One Kyowa Kirin (OKK) structure: A matrix management structure combining a regional organization based on four regions – Japan, Europe/Middle East/Africa (EMEA), North America, and Asia/Oceania – and a functional organization based on the functions needed for a pharmaceutical company.

Review of FY2016-2020 MTBP: Quantitative Summary

	Targets (when plan was formulated)	Actual
Sustainable Growth Target	Core operating profit ¥100 billion or more	¥60.0 billion
Transformation into GSP Target	Overseas revenue ratio 50 %	48 %
Increasing Shareholder Value Target	ROE 10 % or higher	6.8 %



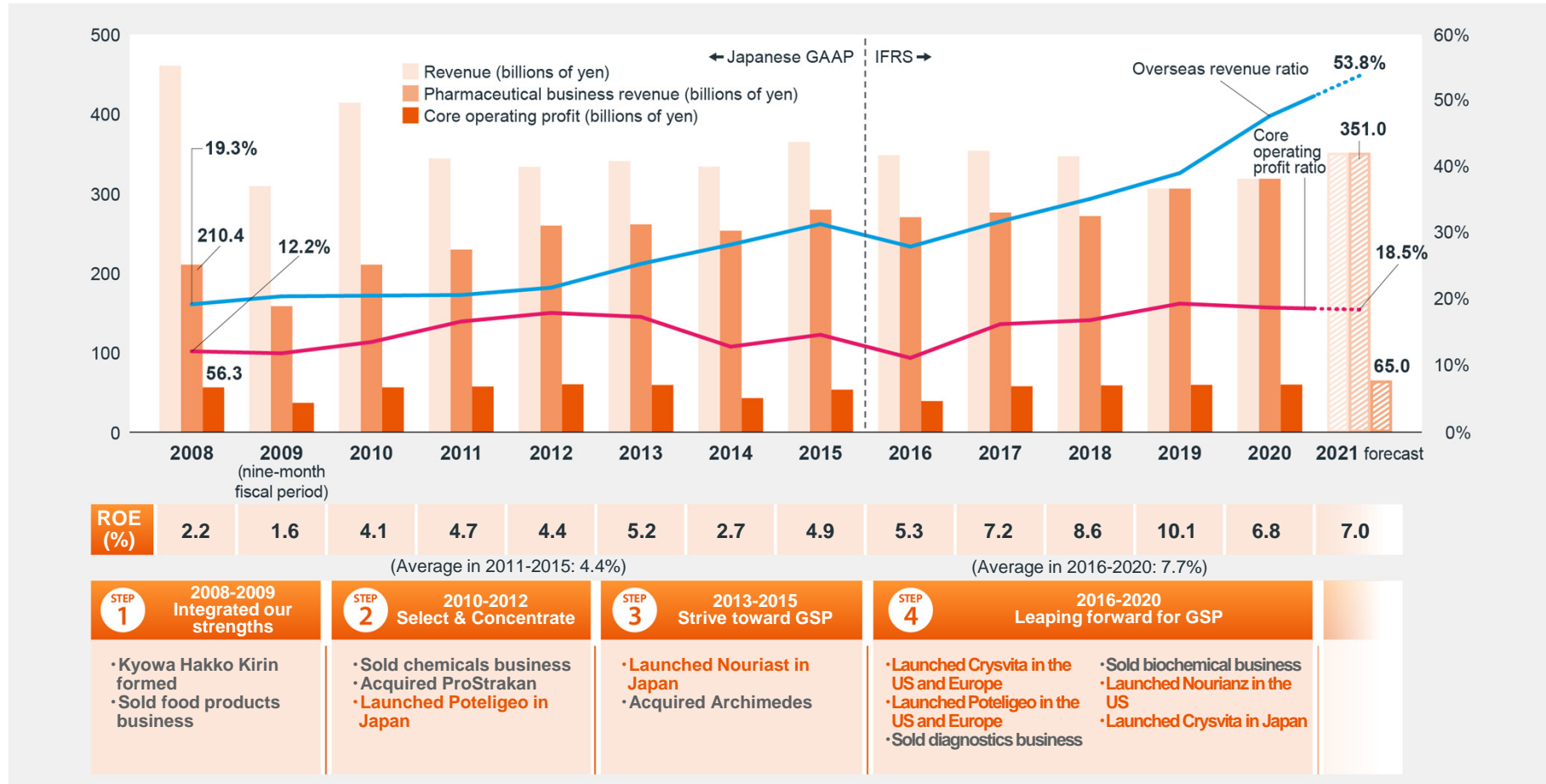
Overseas revenue ratio target of 50% mostly achieved, supported by growth of G3B*
 Increased the dividend in each year of the plan; average five-year dividend payout ratio of 39.7%;
 also repurchased shares worth ¥22.6 billion in 2019



Aim to achieve core operating profit of ¥100 billion and ROE of 10% in early 2020s

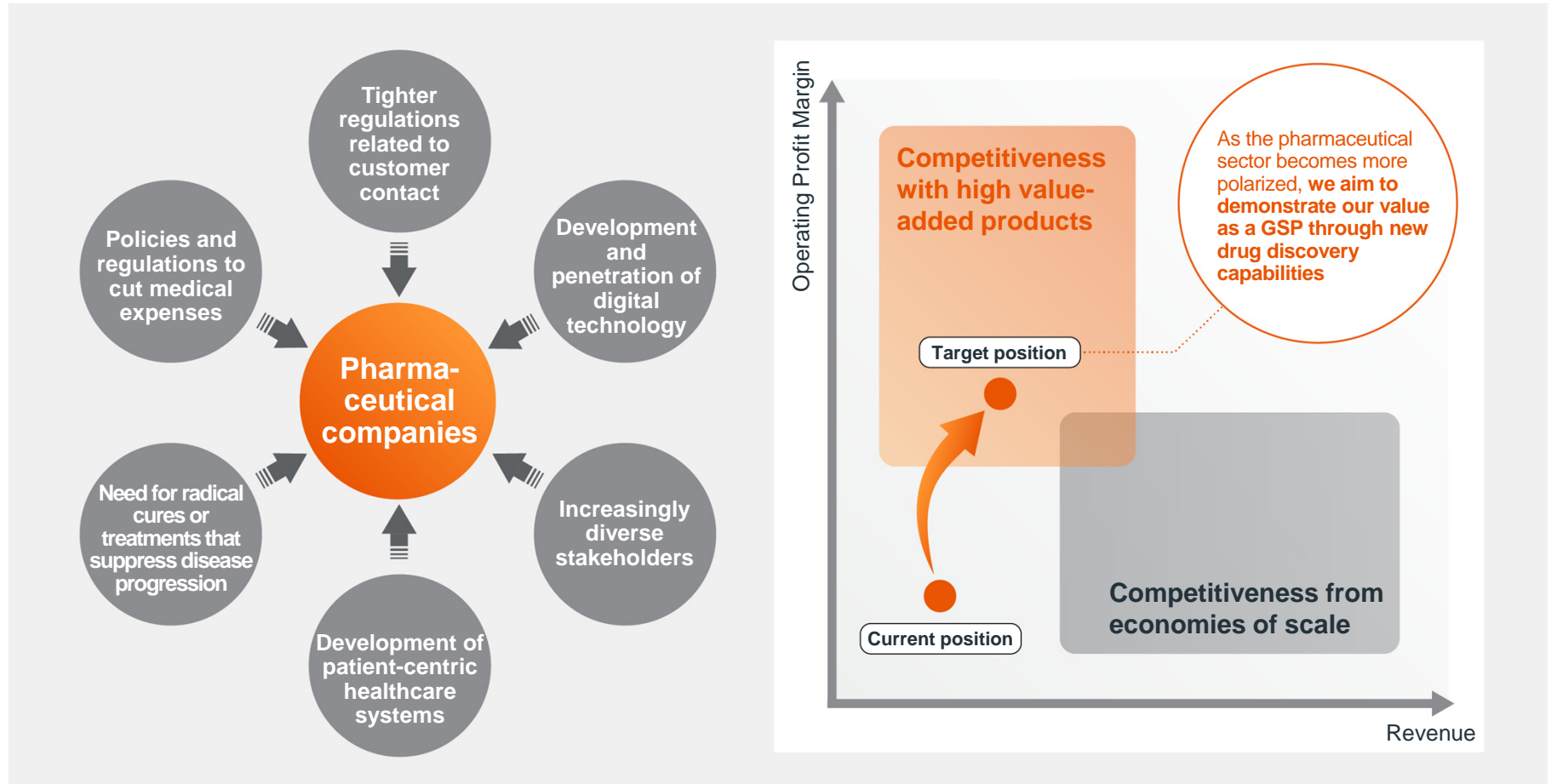
*G3B: Global Three Brands (Crysvita, Poteligeo, Nourias/Nourianz)

Strive and Leap for GSP

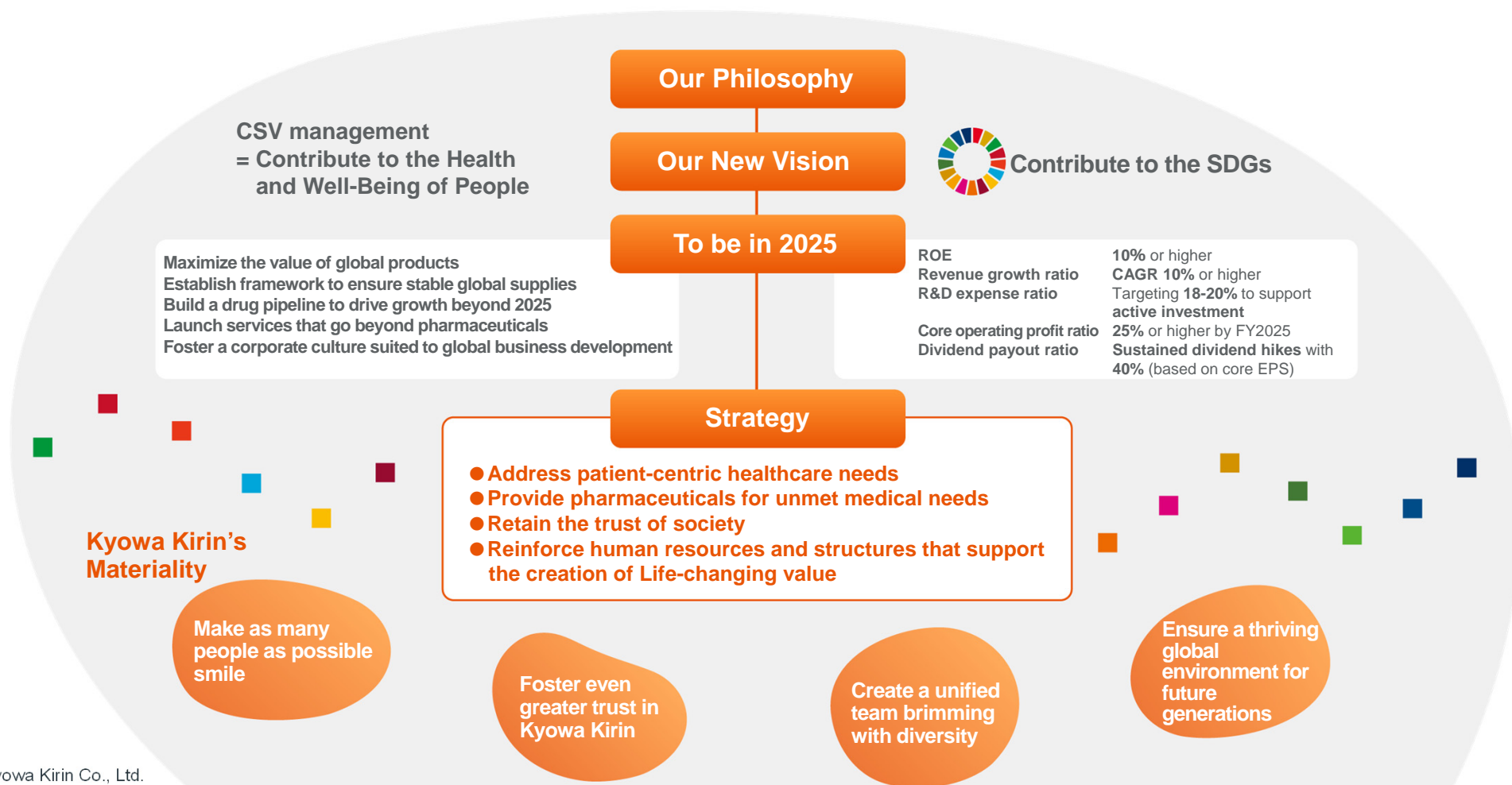


FY2021-2025 Medium Term Business Plan

Analysis of Operating Environment and Our Target Position



FY2021-2025 MTBP Overview



Our New Vision toward 2030

Our New Vision toward 2030

Kyowa Kirin will realize the successful creation and delivery of life-changing value that ultimately makes people smile, as a Japan-based Global Specialty Pharmaceutical company built on the diverse team of experts with shared passion for innovation.

Provide pharmaceuticals for unmet medical needs

We are focused on developing medicines for diseases where there is a clear patient need for new options. We make full use of multiple therapeutic modalities, including biotechnology such as antibody technology, and beyond, building on our Kyowa Kirin established strengths.

Address patient-centric healthcare needs

We will meet the needs of patients and society by providing value across the entire patient care pathway, delivering cutting-edge science and technology, grounded in our in-depth pharmaceutical knowledge and expertise.

Retain the trust of society

We pursue world-class product quality and operational excellence to grow our business in ways which build long-term trust with our stakeholders.

* Make patients smile through dramatic improvements in quality of life by identifying the unmet medical needs of people battling with medical conditions and by creating and supplying new drugs or services that help them overcome those challenges.



Strategy to Realize our New Vision

- Maximize the value of global products
- Establish framework to ensure stable global supplies
- Build a drug pipeline to drive growth beyond 2025
- Launch services that go beyond pharmaceuticals
- Foster a corporate culture suited to global business development

Provide pharmaceuticals for unmet medical needs

- Maximize the value of G3B
- Continue to create groundbreaking new drugs

Address patient-centric healthcare needs

- Patient advocacy
- Provide value that goes beyond pharmaceuticals

Retain the trust of society

- Ensure stable supplies of high-quality pharmaceuticals
- Help to protect the global environment

Reinforce human resources and structures that support the creation of Life-changing value

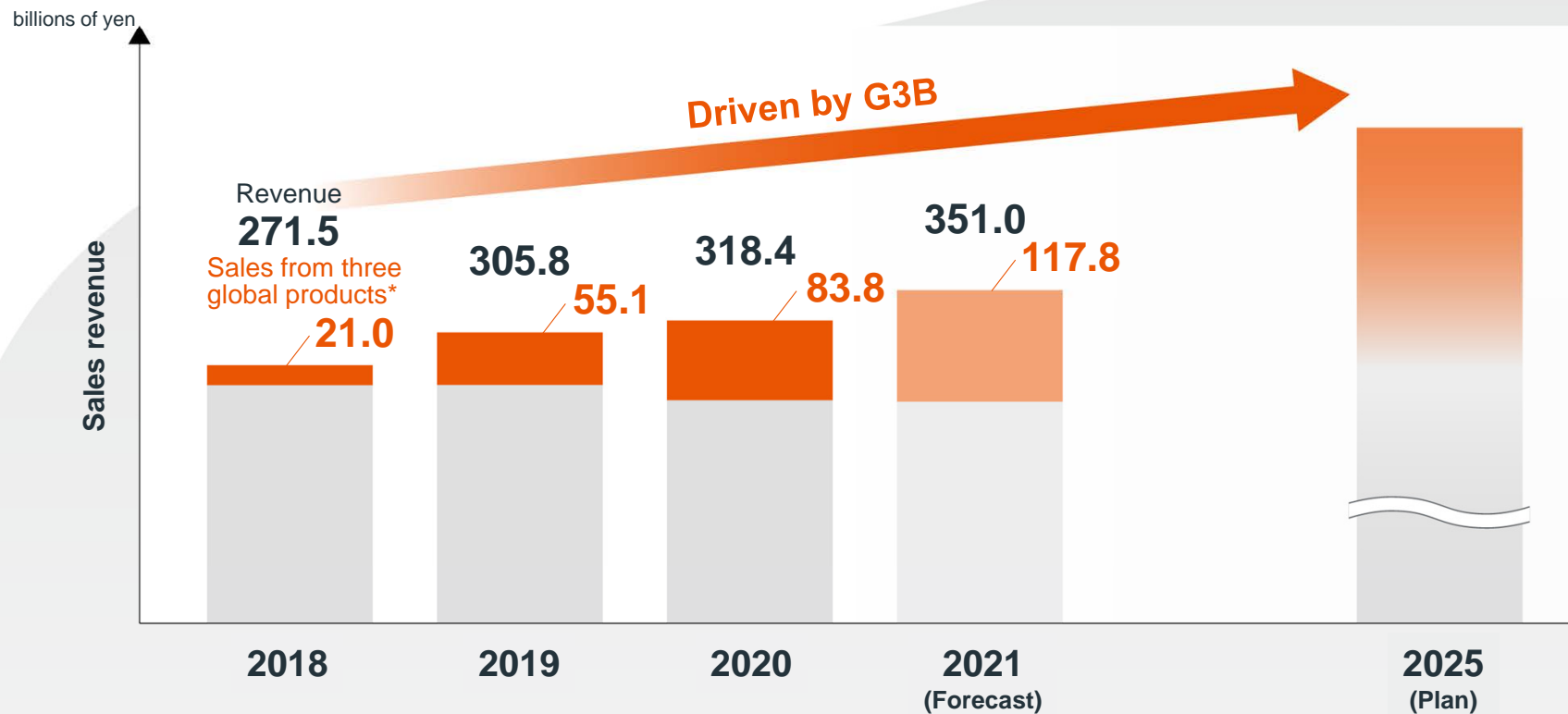
- Cultivate human resources
- Strengthen organizations
- Build digital platforms

Longer-term Outlook and the FY2021-2025 MTBP



Provide Pharmaceuticals for Unmet Medical Needs

Maximize the Value of Global Three Brands (G3B)

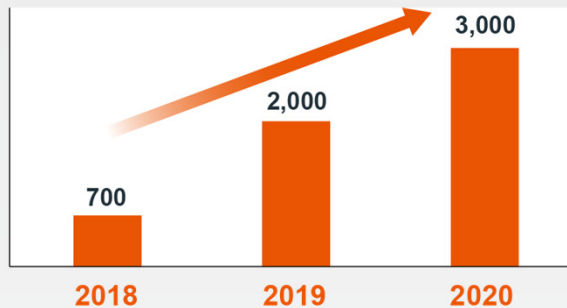


* Total sales generated by G3B (Crysvita, Poteligeo, Nourias/Nouriaz), including in Japan (sales from EAP not included)

Maximize the Value of G3B: Crysvida



Number of patients*1 (global total)



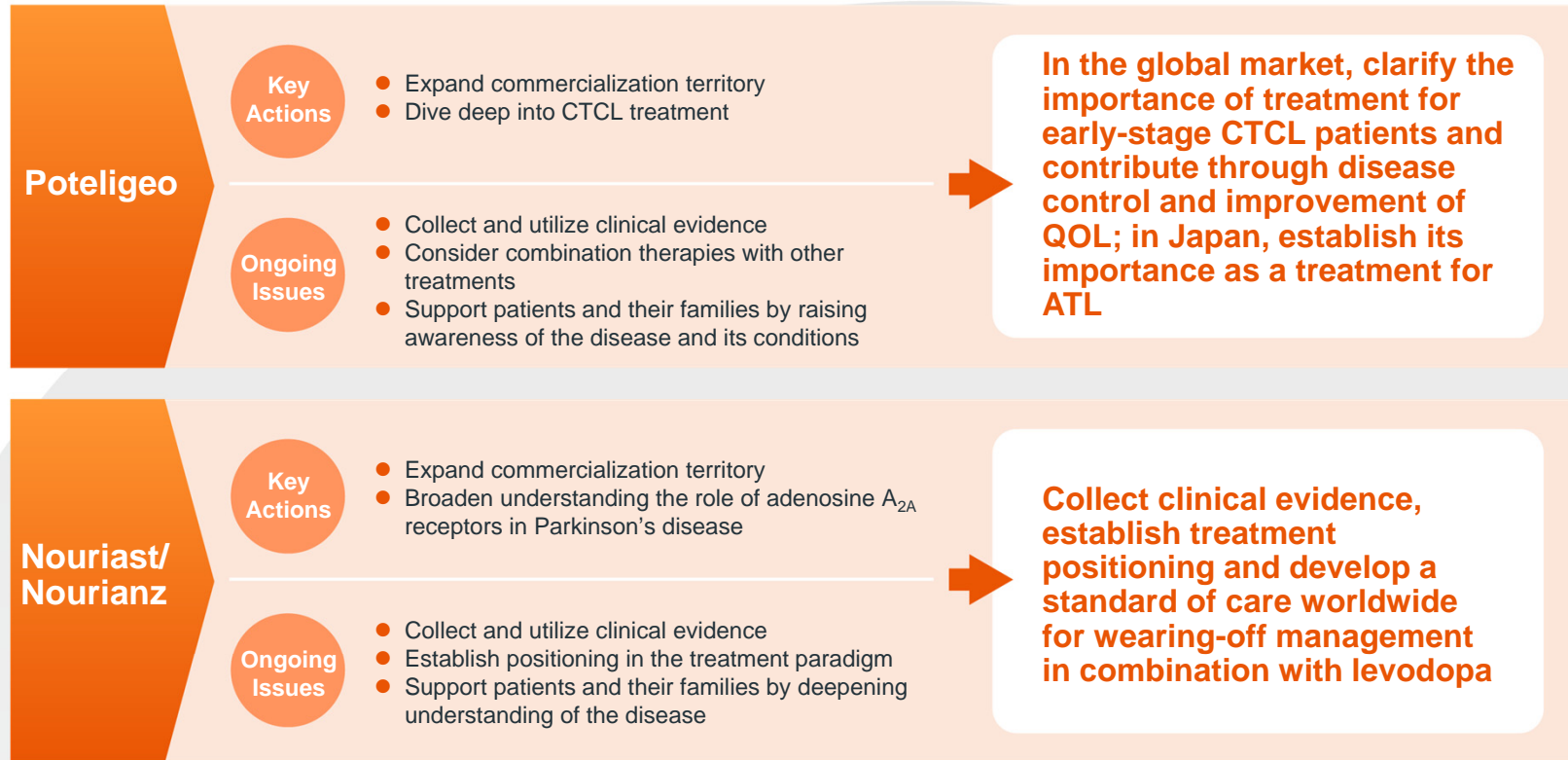
*1 Excludes EAP patients and patients who have not started the reimbursement process

Number of launch countries*2



*2 Excludes South America

Maximize the Value of G3B: Poteligeo, Nouriast/Nourianz



Continue to Create Groundbreaking New Drugs: Next-generation Strategic Products

	Country / region*1	Indication*2	Approval year*3	Total addressable market*4	No. of patients*5
KHK4083	NA/EU/JP	Atopic dermatitis	2025/2026	★★★	16,000K
KW-6356	NA/EU/JP	Parkinson's disease	2025	★★★	3,500K
ME-401	NA/EU/JP	Follicular lymphoma Marginal zone lymphoma	2023	★★★	~800K
RTA 402	JP/Asia	Alport syndrome Diabetic kidney disease Autosomal dominant polycystic kidney disease (ADPKD)	2022 2023 2025	★★★	2,500K~
KHK7791	JP	Hyperphosphatemia under maintenance dialysis	2023	★☆☆	250K

*1 Countries or regions where Kyowa Kirin currently has marketing rights and will launch products (or will conduct marketing activities); products may not be launched in all countries or regions shown in the table

*2 Expected indications as of the date of this document; indications may ultimately differ to expectations due status of approvals from regulatory authorities

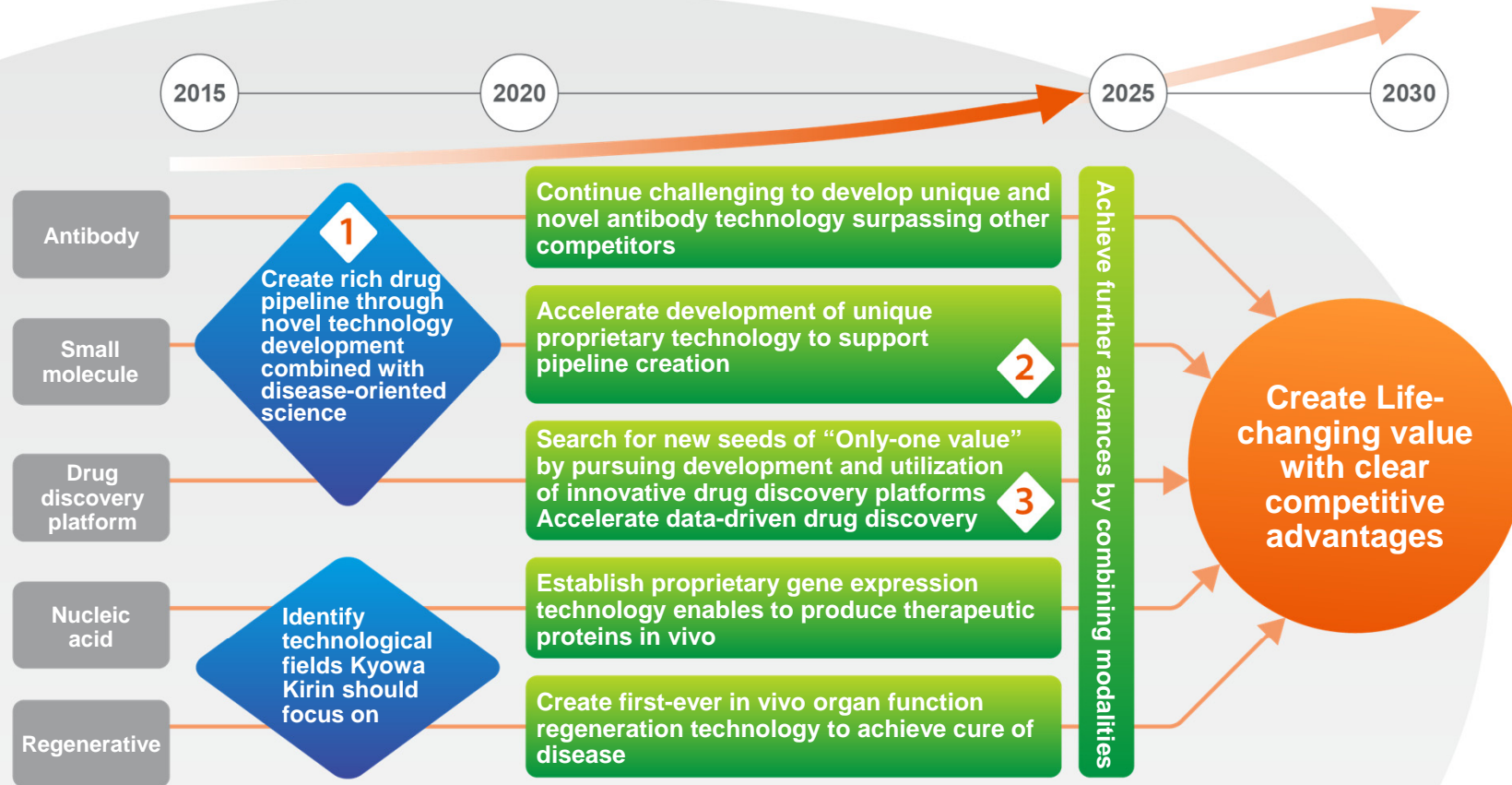
*3 Expected year of first approval

*4 Expected total addressable market, which is the sum of all products for the indications shown in *2, in all countries or regions defined in *1, not projected sales or the Company's targets; ★ = less than ¥50bn, ★★ = ¥50-100bn, ★★★ = Over ¥100bn

*5 Total number of estimated patients in all countries or regions defined in *1.

*6 The size of the total addressable market and patient numbers are based on our estimates

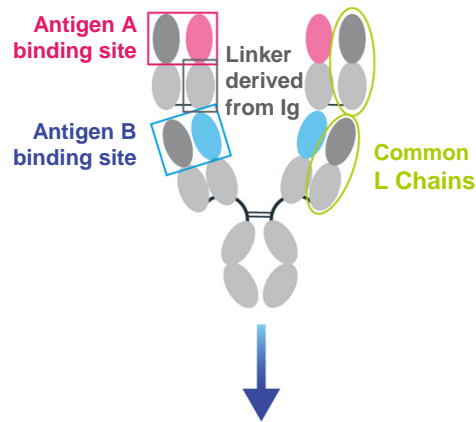
Continue to Create Groundbreaking New Drugs: Build Technology Platforms



Continue to Create Groundbreaking New Drugs: Next-generation Technologies

1 Proprietary bispecific antibody technology

- Selection of linkers derived from Immunoglobulin (Ig) and the common sequence of L Chains
- Versatility equivalent to wild type IgG
- Unique biology based on bivalent x bivalent binding



Create rich drug pipeline through novel technology development combined with disease-oriented science

2 Development of revolutionary small-molecule drug discovery technology (collaboration with Axcelead)



- Analysis of potential drug target molecules
- Diverse modality discovery research
- R&D experience in the priority categories
- Small molecule drug discovery infrastructure
- Vast experience in drug discovery
- Huge volume of drug discovery data

Accelerate development of unique proprietary technology to support pipeline creation

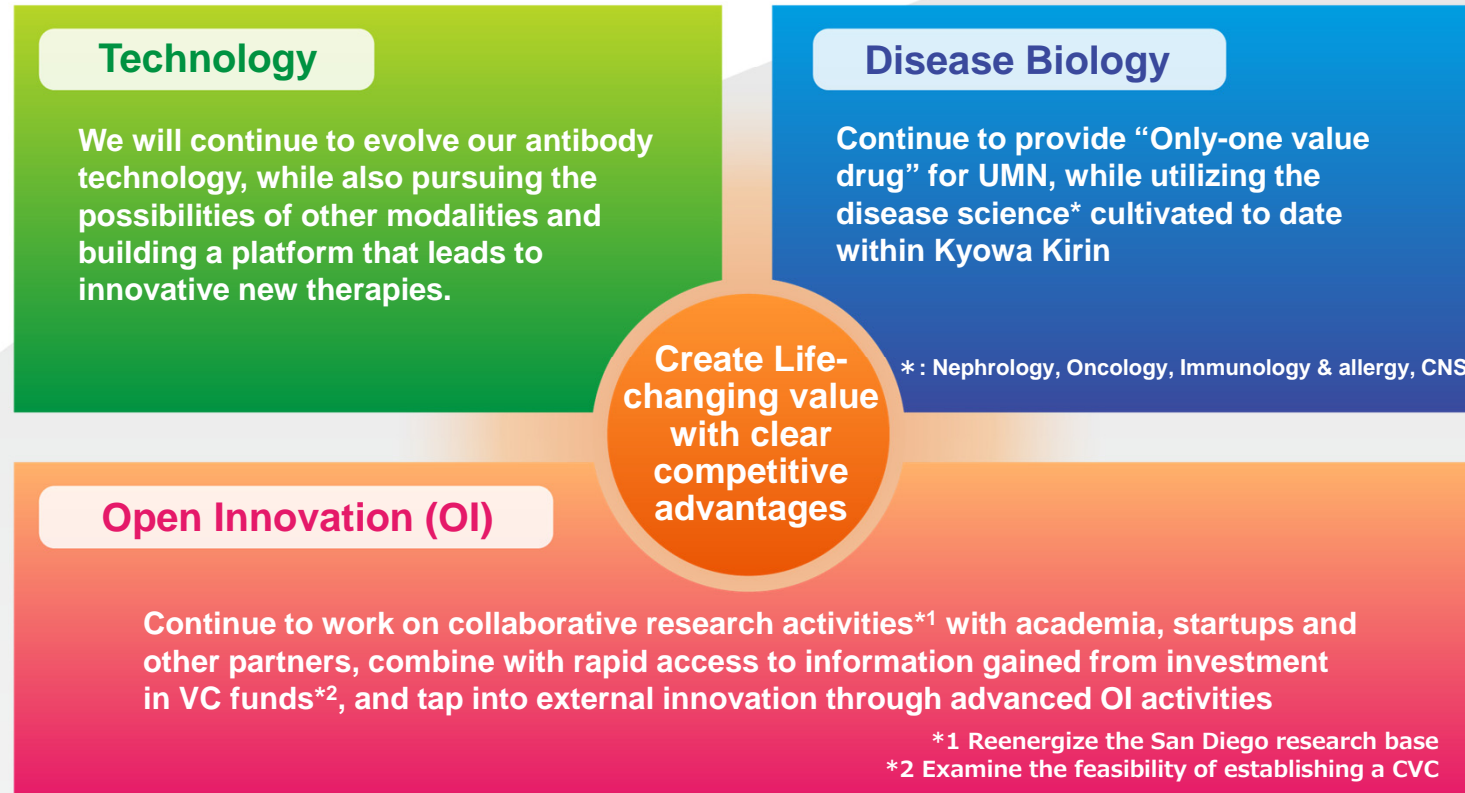
3 Promotion of data driven drug discovery (collaboration with InveniAI)



- Diverse modality discovery research centered on antibody technology
- Drug discovery technology that utilizes AI and machine learning

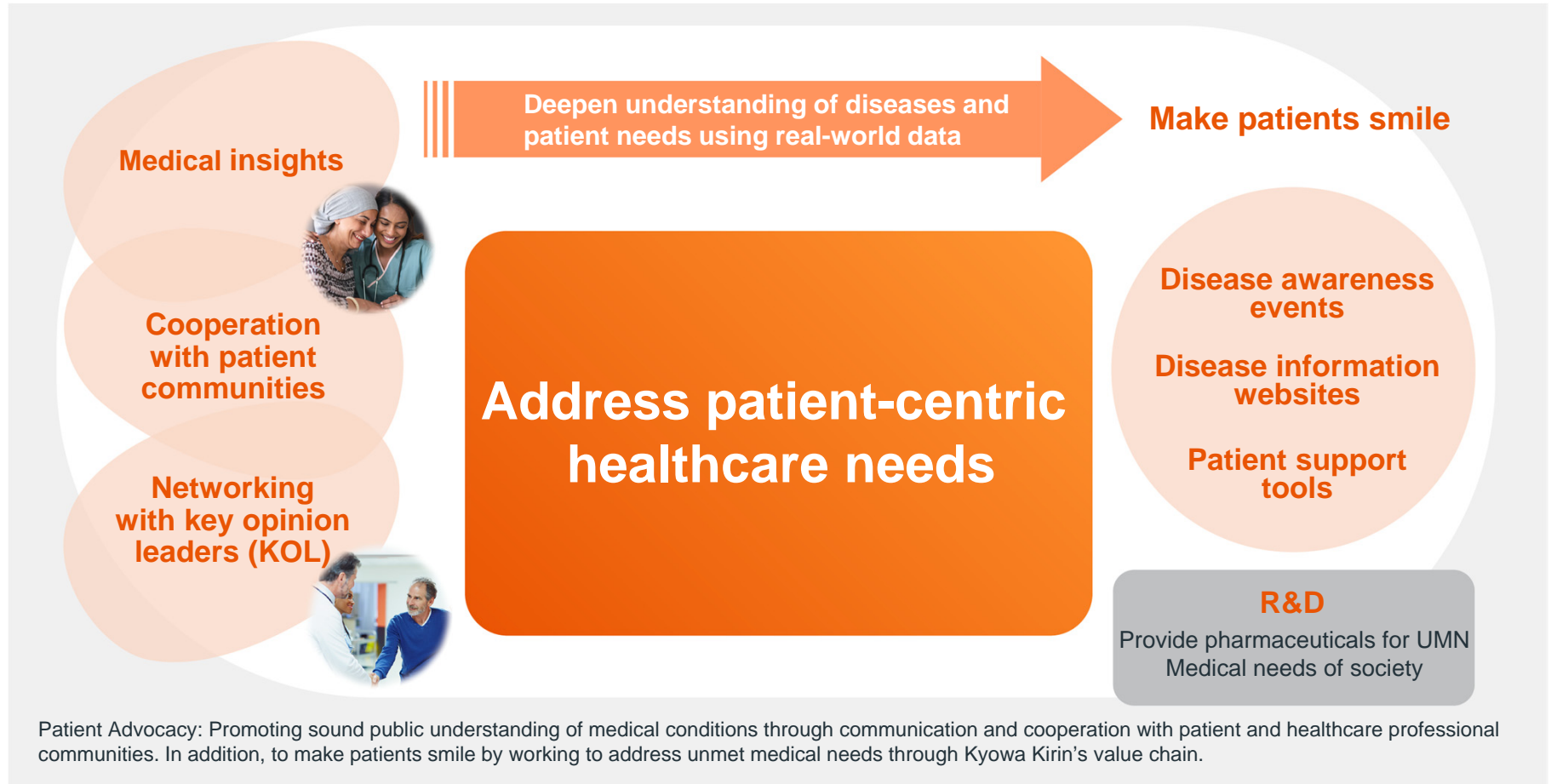
Utilize the strengths of each company to accelerate data driven drug discovery based on data science

Continue to Create Groundbreaking New Drugs: Technology x Biology x OI



Address Patient-centric Healthcare Needs

Patient Advocacy



Provide Value Beyond Pharmaceuticals

Our new vision
toward 2030

Address society's
medical needs
beyond
pharmaceuticals

Solve issues in areas surrounding our
pharmaceutical products

- Use accumulated data and insights from patients
- Establish project teams to create new value and harness DX

➡ Maximize value of existing products, develop innovative solutions

Use Group synergies to solve issues

- In the pharmaceutical business, harness opportunities from contact points with Kirin Group's work in the health science field
- Convert to internal Group projects based on standalone contracts

➡ Create new value that improves patient QOL

Create Life-changing
value beyond
pharmaceuticals

Retain the Trust of Society

—Pursue product quality and operational excellence—

Ensure Stable Supplies of High-quality Products in Line with Global Expansion

Production and supply frameworks for medium- and long-term demand

- Develop demand forecasts for proprietary products, establish and implement production plans
- Explore potential pharmaceutical production and storage sites to support the global supply framework
- Mitigate production and supply risks associated with growth in a number of sales countries / regions
- Strategically expand capacity at production sites

Reinforce quality assurance

- Cultivate quality leaders and quality-focused culture, ensure GMP compliance
- Build strong relationships of trust with domestic and overseas regulatory authorities
- Upgrade production sites and manufacturing records to ensure data integrity, use latest QMS tools to manage information efficiently
- Integrated quality assurance governance, including domestic and overseas suppliers
- Build a functional, efficient quality assurance system that effectively utilizes product-related expertise

Revolutionize production technology to boost efficiency and create added value

- Develop drug production / formulation technologies that translate into competitive advantages
- Automize and digitize production processes / production management
- Develop processes for bispecific antibodies and other new compounds
- Develop appropriate drug forms in LCM

Help to Protect the Global Environment

- Contribute to reductions in CO₂ emissions as a global issue and disclose information in line with the TCFD Pledge*
- Save energy, expand usage of renewable energy and take other steps to cut CO₂ emissions and reduce costs
- Work in conjunction with the Kirin Group Environmental Vision 2050

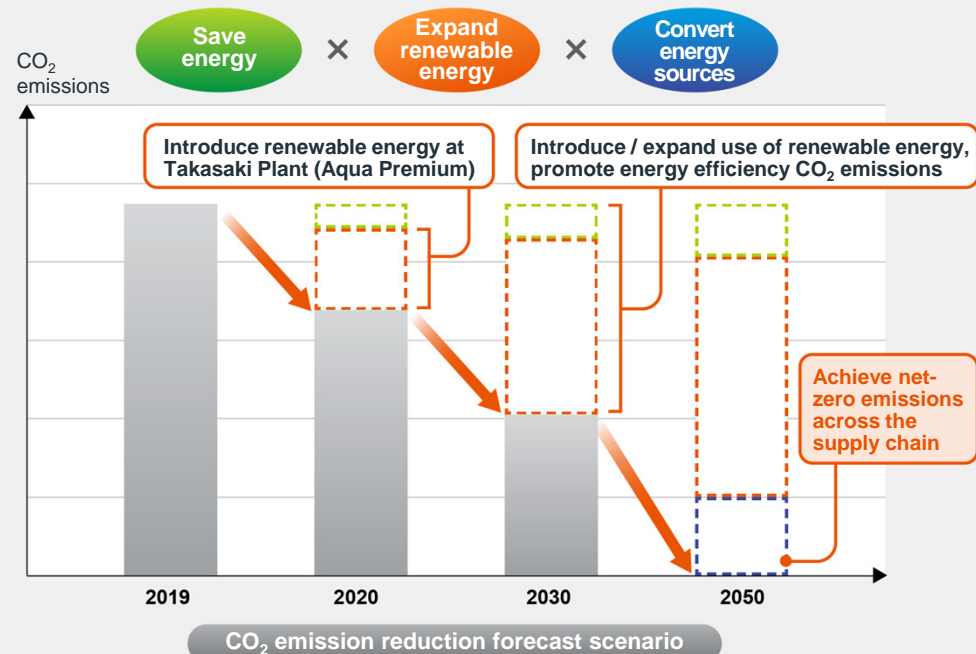
By 2030

Reduce CO₂ emissions by **saving energy (including capex) and expanding the use of renewable energy**

2030-50

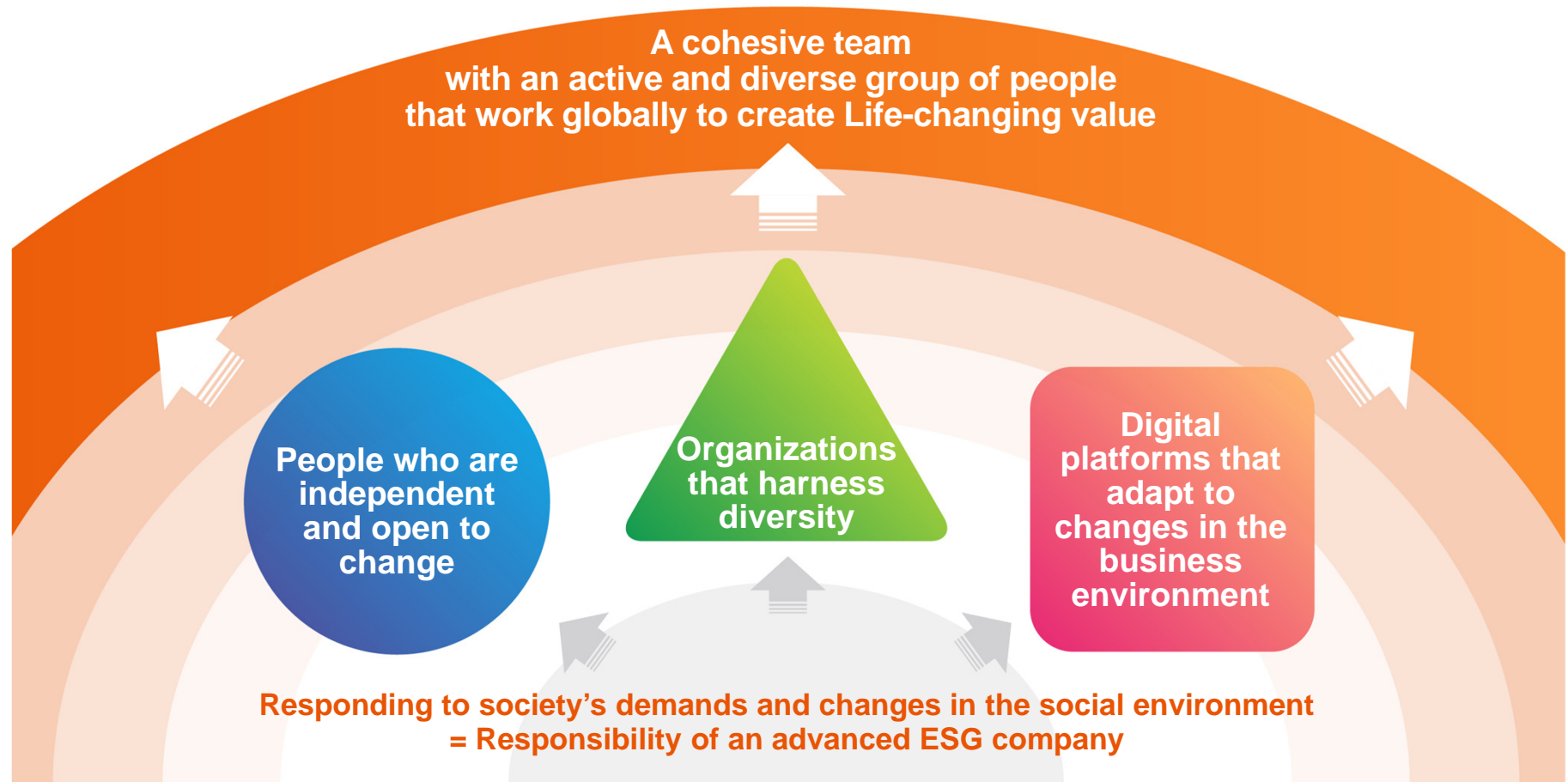
Switch to new energy sources while continuing to save energy and expand renewable energy

* Support for the recommendations of the Task Force on Climate-related Financial Disclosures. We are assessing the impact of the transition to a low-carbon society and climate change on our business and identifying climate change-related risks, opportunities and key factors. Using scenario analysis, we will quantify the business impact, develop and assess the resilience of mitigation strategies, and progressively disclose information.

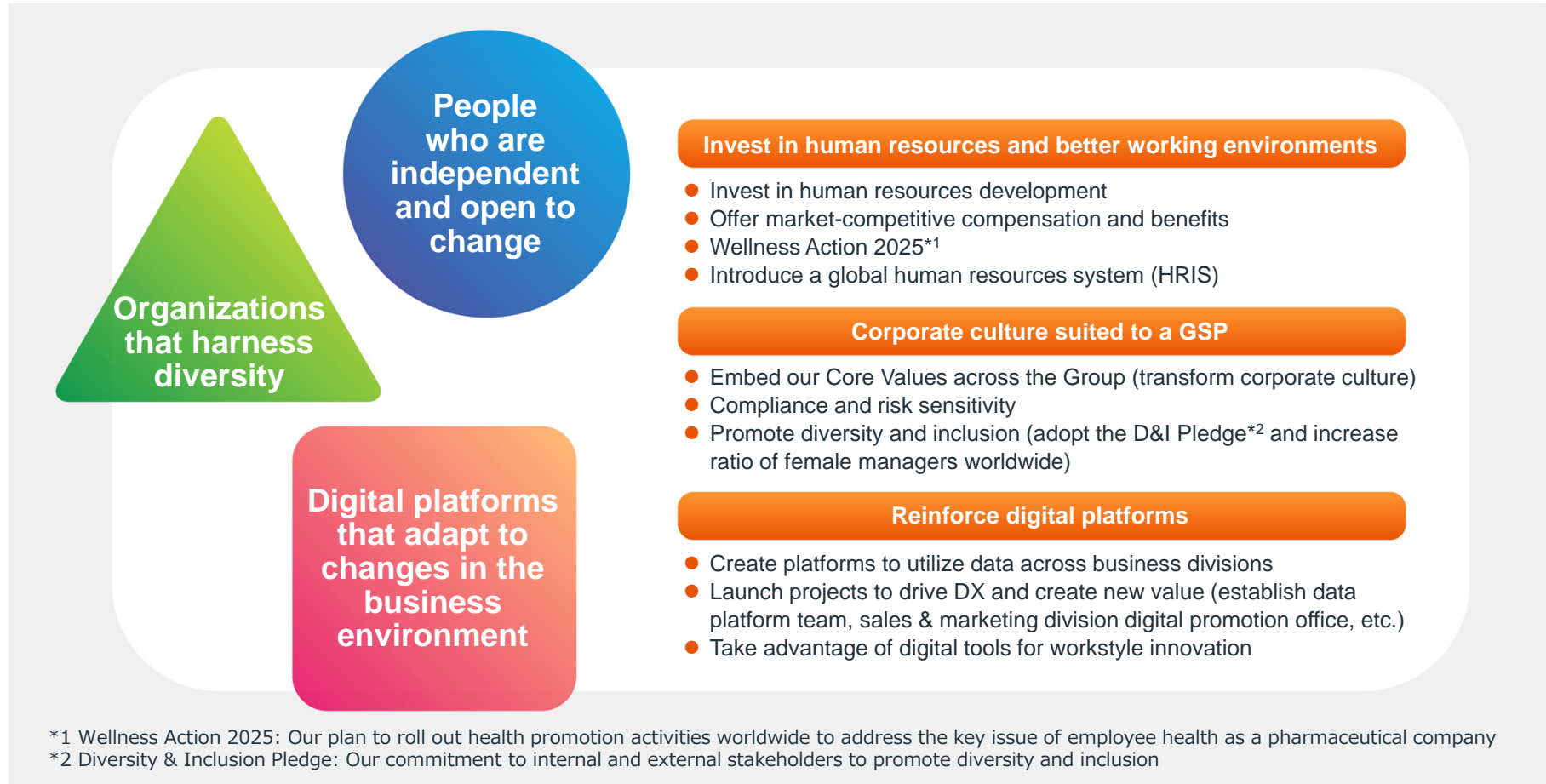


Reinforce Human Resources and Structures that Support the Creation of Life-changing Value

Reinforce Human Resources and Structures that Support the Creation of Life-changing Value



Reinforce Human Resources and Structures that Support the Creation of Life-changing Value (key points)

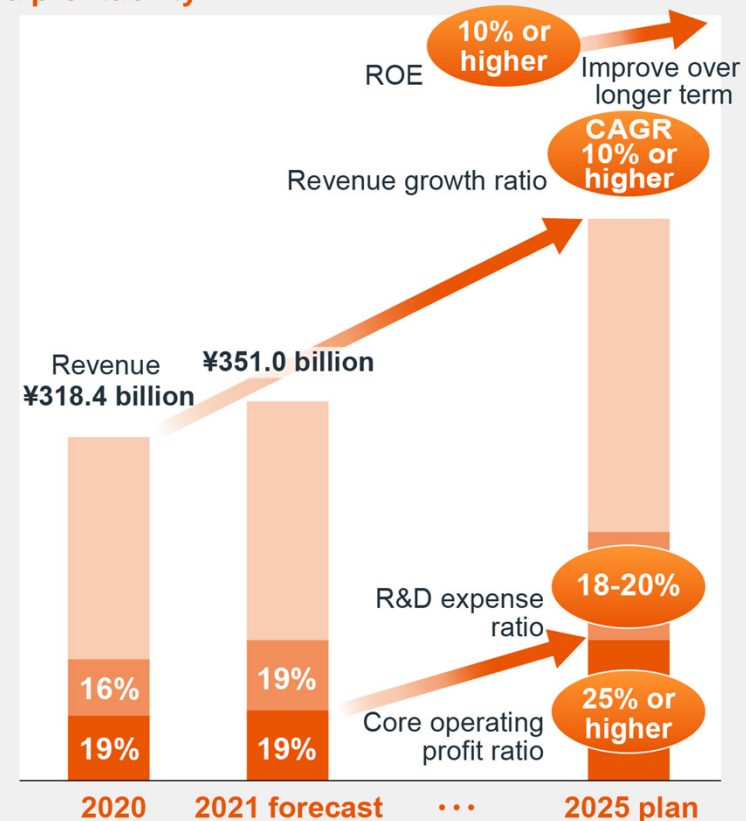


Financial Strategy

Financial KPIs (Numerical guidance)

Targeting mid- to long-term improvement in ROE and sustained dividend increases by enhancing growth potential, capability to create innovation, and profitability

ROE	10% or higher (achieve target early / increase over the mid- to long-term)
Revenue growth ratio	CAGR*1 10% or higher
R&D expense ratio	Targeting 18-20% to support active investment
Core operating profit ratio*2	25% or higher by 2025
Dividend payout ratio	Targeting Sustained dividend hikes with 40% (based on core EPS*3)



*1 Average growth rate over a five-year period, with FY2020 as the base year.

*2 Core operating profit: “Gross profit” – “Selling, general and administrative expenses” – “Research and development expenses” + “Share of profit (loss) of investments accounted for using equity method.”

*3 “Core profit” (“Profit attributable to owners of parent” – “Other income and expenses” (excluding impact from applicable taxes)) ÷ average number of shares during fiscal year.

Capital Policy

Growth investment

Rapidly establish a competitive global business foundation as a Japan-based GSP, and place priority on growth investment targeting sustainable growth beyond 2025 and maximizing corporate value

*In principle, sustaining a net cash position while maintaining sufficient financial flexibility by securing borrowing capacity and flexible fund-raising methods (CP, commitment line), in addition to cash on hand, to prepare for large-scale investment deals.

- **R&D investment:** Actively invest to create and optimize the value of the global pipeline continually, and to develop breakthrough drug discovery technology (R&D expense ratio of 18-20% to support active investment)
- **Strategic investment:** Further accelerate sustained growth via the expansion of the global pipeline and the acquisition of drug discovery technology that supports the creation of Life-changing value, by actively using external resources, including strategic partnering and M&A.
*Investment decisions based on business investments that reflect the cost of capital
- **CAPEX:** Aim to establish a competitive business infrastructure and maximize the value of global products through investment that ensures the stable global production of safe and high-quality products, and through strategic investment in IT and digital



Shareholder returns

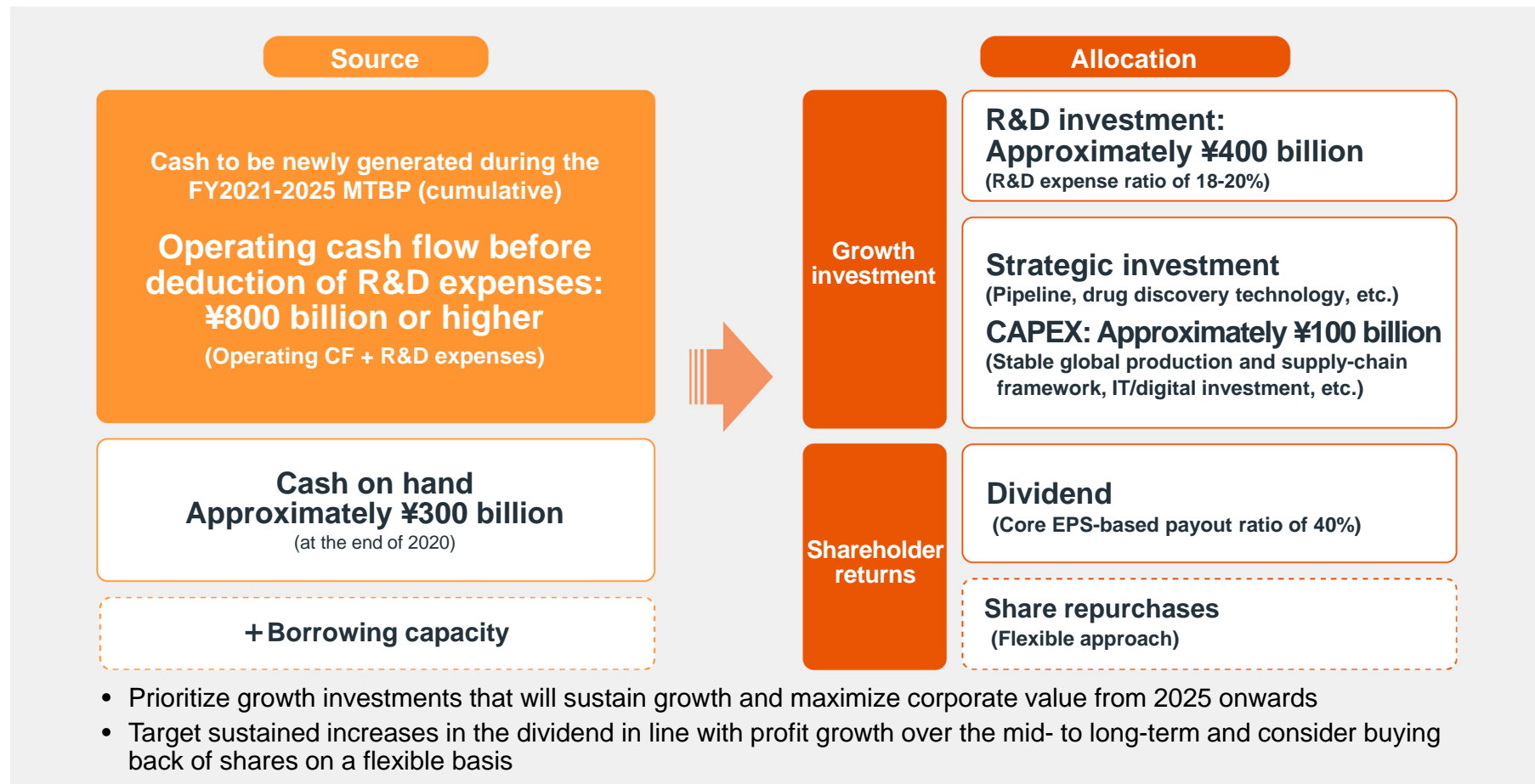
Dividends:

Target a core EPS-based payout ratio of 40%. Aim to improve the level of stable and continual dividends (sustained dividend hikes) in line with longer-term profit growth.

Share repurchases:

Consider flexibly acquiring treasury stock while regarding market conditions of the share price.

Cash Allocation



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