

**Kyowa Hakko Kirin Co., Ltd.****Appendix to the Fiscal 2010 Consolidated Financial Statements**

(January 1, 2010 - December 31, 2010)

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This document was made as a supplement to the Kessan Tanshin (financial report) for the fiscal year ending December 31, 2010. This document contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. For a variety of reasons, actual financial results may differ materially from the forecasts presented here.

## I. Consolidated Financial Results

### 1. Trends in income

Millions of yen, rounded down

	Fiscal period to December 31, 2009	2009 (reference)	January 1, 2010 to December 31, 2010					January 1, 2011 to December 31, 2011	
	April 1 to December 31 (results)	January 1 to December 31 (results) (A)	January 1 to June 30 (results)	January 1 to December 31 (forecast as at 10/28)	January 1 to December 31 (results) (B)	Change on January 1 to December 31		January 1 to June 30 (forecast)	January 1 to December 31 (forecast)
						Amount (B-A)	%		
<b>Net sales</b>	309,111	407,017	203,466	408,000	413,738	6,721	102%	175,000	325,000
<b>Gross Profit</b>	139,739	180,167	92,763	-	190,979	10,811	106%	-	-
Selling, general and administrative expenses	111,496	149,232	71,071	-	145,568	(3,663)	98%	-	-
<b>Operating income (prior to amortization of goodwill)</b>	35,221	40,311	26,344	50,803	54,713	14,402	136%	24,639	46,267
<b>Operating income</b>	28,243	30,934	21,692	41,500	45,410	14,475	147%	20,000	37,000
Other income	4,012	6,147	3,120	-	5,201	(945)		-	-
Other expenses	2,776	4,455	2,478	-	4,111	(344)		-	-
<b>Recurring income</b>	29,479	32,626	22,334	43,000	46,500	13,873	143%	20,500	38,000
Extraordinary income	27	6,102	1,082	-	2,822	(3,280)		-	-
Extraordinary expenses	8,878	16,447	5,775	-	7,023	(9,424)		-	-
<b>Net income before income taxes</b>	20,628	22,282	17,641	37,000	42,299	20,017	190%	28,000	45,500
Corporate, local and enterprise taxes	11,631	12,210	7,718	-	20,040	7,830		-	-
Income from minority interests	199	31	21	-	61	30		-	-
<b>Net income</b>	8,797	10,040	9,901	19,000	22,197	12,156	221%	14,500	25,500
EPS before goodwill amortization (¥/share)	27.63	33.97	25.55	49.68	55.29			33.59	61.02

\*As a result of the change in fiscal year end, the figures used for comparison the above 2009 January 1 to December 31 results are the sum of the figures from the three month period from January 1 to March 31, 2009, obtained by subtracting figures for the nine month period (April 1, 2008 to December 31, 2008) from the figures for the twelve month period to March 2009, and the figures from the first quarter of the fiscal year ending December 31, 2009. Also please note that figures for the Food segment are included in the reference figures for January 1 to March 31, 2009.

### 2. Trends in results by segment

#### (1) Results by operating segment

Millions of yen, rounded down

	Fiscal period to December 31, 2009	2009 (reference)	January 1, 2010 to December 31, 2010					January 1, 2011 to December 31, 2011	
	April 1 to December 31 (results)	January 1 to December 31 (results) (A)	January 1 to June 30 (results)	January 1 to December 31 (forecast as at 10/28)	January 1 to December 31 (results) (B)	Change on January 1 to December 31		January 1 to June 30 (forecast)	January 1 to December 31 (forecast)
						Amount (B-A)	%		
<b>Net sales</b>	309,111	407,017	203,466	408,000	413,738	6,721	102%	175,000	325,000
Pharmaceuticals	158,273	207,384	103,475	207,000	210,362	2,977	101%	105,000	212,000
Bio-Chemicals	69,751	90,670	44,186	84,000	84,236	(6,433)	93%	40,000	80,000
Chemicals	52,326	64,208	61,289	128,000	130,018	65,810	202%	31,000	31,000
Food	-	9,633	-	-	-	(9,633)	-%	-	-
Other	49,500	63,731	5,082	10,000	10,499	(53,232)	16%	5,000	10,000
Total	329,851	435,628	214,034	429,000	435,116	(511)	100%	181,000	333,000
Eliminations	(20,740)	(28,611)	(10,567)	(21,000)	(21,377)	7,233	75%	(6,000)	(8,000)
<b>Operating income</b>	28,243	30,934	21,692	41,500	45,410	14,475	147%	20,000	37,000
<i>*Before goodwill amortization</i>	35,221	40,311	26,344	50,803	54,713	14,402	136%	24,639	46,267
Pharmaceuticals	26,657	31,826	17,993	32,000	35,857	4,030	113%	16,500	32,000
	33,129	40,455	22,307	40,628	44,485	4,030	110%	20,814	40,629
Bio-Chemicals	3,048	3,965	1,853	4,000	3,275	(689)	83%	1,800	3,000
	3,517	4,590	2,166	4,625	3,901	(689)	85%	2,113	3,626
Chemicals	(1,984)	(5,564)	1,589	5,000	5,678	11,242	-%	1,500	1,500
	(1,947)	(5,514)	1,614	5,049	5,728	11,242	-%	1,512	1,512
Food	-	87	-	-	-	(87)	-%	-	-
	-	161	-	-	-	(161)	-%	-	-
Other	400	434	150	500	363	(71)	84%	200	500
	400	434	150	500	363	(71)	84%	200	500
Total	28,122	30,750	21,587	41,500	45,175	14,424	147%	20,000	37,000
	35,100	40,127	26,239	50,803	54,478	14,351	136%	24,639	46,267
Eliminations	121	184	105	-	235	50	128%	-	-

Notes: 1. Figures representing amounts before goodwill amortization have been italicized

2. As of the fiscal period ended December 31, 2010, results of subsidiaries Miyako Kagaku Co., Ltd., and Kashiwagi Corporation have been moved from the Other segment to the Chemicals segment.

3. In the Chemicals business, Kyowa Hakko Kirin is scheduled to sell all shares owned by Kyowa Hakko Kirin in Kyowa Hakko Chemical Co., Ltd., to KJ Holdings Inc. in March 2011. As a result, forecasts for January 1, 2011 to December 31, 2011 are calculated based on the consolidation of Kyowa Hakko Chemical figures for the first quarter (three month period) only.

## (2) Overseas sales

Millions of yen, rounded down

	Fiscal period to December 31, 2009		2009 (reference)		January 1, 2010 to December 31, 2010			
	April 1 to December 31 (results)	Percentage of consolidated sales	January 1 to December 31 (results)	Percentage of consolidated sales	January 1 to June 30 (results)	Percentage of consolidated sales	January 1 to December 31 (results)	Percentage of consolidated sales
<b>Overseas sales</b>	63,367	20.5%	77,209	19.0%	42,236	20.8%	85,141	20.6%
America	16,849	5.5%	20,670	5.1%	12,977	6.4%	23,467	5.7%
Europe	18,524	6.0%	23,038	5.7%	10,779	5.3%	21,477	5.2%
Asia	27,415	8.9%	32,709	8.0%	18,114	8.9%	39,689	9.6%
Other regions	578	0.2%	790	0.2%	364	0.2%	507	0.1%
<b>Total consolidated net sales</b>	<b>309,111</b>	<b>100.0%</b>	<b>407,017</b>	<b>100.0%</b>	<b>203,466</b>	<b>100.0%</b>	<b>413,738</b>	<b>100.0%</b>

## 3. Trends in Other Income

Millions of yen, rounded down

	Fiscal period to December 31, 2009	2009 (reference)	January 1, 2010 to December 31, 2010	
	April 1 to December 31 (results)	January 1 to December 31 (results)	January 1 to June 30 (results)	January 1 to December 31 (results)
<b>Other income</b>	4,012	6,147	3,120	5,201
Interest received	443	597	221	362
Dividend income	914	2,333	485	844
Foreign exchange gain	--	135	--	--
Income from equity method investments	1,558	1,774	626	1,074
Other	1,095	1,306	1,787	2,920
<b>Other expenses</b>	2,776	4,455	2,478	4,111
Interest expense	244	354	122	199
Foreign exchange loss	112	(443)	1,143	1,280
Loss from disposal of fixed assets	1,163	2,441	608	1,493
Other	1,255	2,103	604	1,138

## 4. Trends in Extraordinary Income / Losses

Millions of yen, rounded down

	Fiscal period to December 31, 2009	2009 (reference)	January 1, 2010 to December 31, 2010	
	April 1 to December 31 (results)	January 1 to December 31 (results)	January 1 to June 30 (results)	January 1 to December 31 (results)
<b>Extraordinary income</b>	27	6,102	1,082	2,822
Gain on sale of investment securities	--	--	120	1,828
Gain from occurrence of goodwill	--	--	854	854
Allowance for doubtful accounts	--	--	107	139
Gain on sale of fixed assets	27	27	--	--
Gain on sale of shares in affiliates	--	4,721	--	--
Gain of sale of investments in affiliates	--	1,354	--	--
<b>Extraordinary losses</b>	8,878	16,447	5,775	7,023
Loss on revision to retirement benefit system	--	--	1,771	1,771
Loss from revaluation of investment securities	537	1,905	2,588	1,473
Asset impairment losses	2,671	6,464	--	1,374
Extraordinary depreciation of fixed assets	3,299	3,299	1,225	1,225
Allowance for environmental measures	--	--	--	887
Loss from sale of fixed assets	--	--	189	189
Loss from sale of investment securities	991	991	--	101
Loss from change in equity affiliates	1,379	1,379	--	--
Integration-related expenses	--	1,429	--	--
Other	--	977	--	--

## 5. Trends in R&D Expenses

Billions of yen, rounded down

	Fiscal period to December 31, 2009	2009 (reference)	January 1, 2010 to December 31, 2010		January 1, 2011 to December 31, 2011	
	April 1 to December 31 (results)	January 1 to December 31 (results)	January 1 to June 30 (results)	January 1 to December 31 (results)	January 1 to June 30 (forecast)	January 1 to December 31 (forecast)
<b>R&amp;D expenses (Consolidated)</b>	34.9	46.4	21.4	44.2	24.0	50.3
R&D to net sales ratio	11.3%	11.4%	10.5%	10.7%	13.7%	15.5%
Pharmaceuticals (R&D to net sales ratio)	31.6 20.0%	41.6 20.1%	19.3 18.7%	40.0 19.0%	21.9 20.9%	46.5 21.9%
Bio-Chemicals	2.5	3.4	1.5	3.2	1.8	3.5
Chemicals	0.7	1.0	0.4	1.0	0.3	0.3
Food	--	0.2	--	--	--	--
Other	0.0	0.0	--	--	--	--

## 6. Trends in Capital Expenditure (Tangible fixed assets)

Billions of yen, rounded down

	Fiscal period to December 31, 2009	2009 (reference)	January 1, 2010 to December 31, 2010		January 1, 2011 to December 31, 2011	
	April 1 to December 31 (results)	January 1 to December 31 (results)	January 1 to June 30 (results)	January 1 to December 31 (results)	January 1 to June 30 (forecast)	January 1 to December 31 (forecast)
<b>Capital expenditure (Consolidated)</b>	24.0	29.6	12.2	21.9	10.2	18.9
Pharmaceuticals	15.4	19.5	7.0	11.7	5.1	8.6
Bio-Chemicals	4.9	6.4	3.7	7.5	4.8	10.0
Chemicals	3.5	4.9	1.3	2.5	0.3	0.3
Food	--	0.0	--	--	--	--
Other	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations	(0.0)	(1.5)	--	(0.0)	--	--

## 7. Trends in Depreciation Expenses

Billions of yen, rounded down

	Fiscal period to December 31, 2009	2009 (reference)	January 1, 2010 to December 31, 2010		January 1, 2011 to December 31, 2011	
	April 1 to December 31 (results)	January 1 to December 31 (results)	January 1 to June 30 (results)	January 1 to December 31 (results)	January 1 to June 30 (forecast)	January 1 to December 31 (forecast)
<b>Depreciation expenses (Consolidated)</b>	17.0	21.4	10.5	22.1	10.7	21.8
Pharmaceuticals	9.2	10.9	4.5	10.7	6.9	14.3
Bio-Chemicals	4.3	5.5	3.8	6.7	2.8	6.5
Chemicals	3.3	4.4	2.1	4.6	1.0	1.0
Food	--	0.2	--	--	--	--
Other	0.1	0.1	0.0	0.0	0.0	0.0
Eliminations	(0.0)	(0.0)	(0.0)	(0.0)	--	--

## 8. Trends in Employee Numbers

	Fiscal period to December 31, 2009	January 1, 2010 to December 31 2010	Change (B-A)
	December 31 (A)	December 31 (B)	
<b>Number of staff at end of term (Consolidated)</b>	7,436	7,484	48
Pharmaceuticals	4,718	5,041	323
Bio-Chemicals	1,580	1,581	1
Chemicals	520	652	132
Food	319	210	(109)
Company-wide (shared)*	299	--	(299)

## 9. Trends in Key Indicators

### (1) Exchange rate

	Fiscal period to December 31, 2009	January 1, 2009 to December 31, 2009	January 1, 2010 to December 31, 2010		January 1, 2011 to December 31, 2011	
	April 1 to December 31 (results)	(results) (reference)	January 1 to June 30 (results)	January 1 to December 31 (results)	January 1 to June 30 (forecast)	January 1 to December 31 (forecast)
US Dollar (¥/US\$)	94	94	91	88	85	85
Euro (¥/Euro)	133	130	121	116	110	110

### (2) Operating indicators (Consolidated)

	January 1, 2009 to December 31, 2009		January 1, 2010 to December 31, 2010	
	April 1 to September 30 (results)	April 1 to December 31 (results)	January 1 to June 30 (results)	January 1 to December 31 (results)
(prior to amortization of goodwill)	27.05	27.63	25.55	55.29
Net income per share (yen)	18.91	15.41	17.38	38.96
Operating income to sales ratio (%)	10.7	9.1	10.7	11.0
Total assets (million yen)	716,199	695,268	679,685	695,862
Net assets (million yen)	547,942	540,343	540,565	544,992
Equity ratio (%)	75.9	77.1	79.4	78.2
Net assets per share (yen)	953.91	940.79	946.77	954.58
Number of staff at end of term	7,443	7,436	7,554	7,484

## II. Consolidated Subsidiaries and Affiliates

(As of December 31, 2010)

Segment	Type	Company name	Percentage owned (direct and indirect)	Principal business
Pharmaceuticals	Consolidated subsidiary	Kyowa Medex Co., Ltd.	100.0%	Manufacture and sale of diagnostic reagents
		Kirin Kunpeng (China) Bio- Pharmaceutical Co., Ltd.	100.0%	Manufacture and sale of pharmaceuticals (China)
		Kyowa Medical Promotion Co., Ltd.	100.0%	Sales promotion of pharmaceuticals
		Kyowa Hakko Kirin America, Inc.	100.0%	Holding company for administration and management of US subsidiaries (US)
		BioWa, Inc.	100.0%	Out-licensing and promotion of anti-body technology (US)
		Kyowa Hakko Kirin Pharma, Inc.	100.0%	Development of outsourced pharmaceutical products
		Kyowa Hakko Kirin California, Inc.	100.0%	Generate new candidate substances and develop pharmaceuticals (US)
		Hematech, Inc.	100.0%	Technology research for manufacture of therapeutic antibody (US)
		Hematech-GAC Venture, LLC	51.0%	Technology research for manufacture of therapeutic antibody (US)
		Kyowa Hakko Kirin Italia S.r.l.	100.0%	Sales of pharmaceuticals (Italy)
		Jeil-Kirin Pharmaceutical Inc.	90.0%	Sales of pharmaceuticals (Korea)
		Kyowa Kirin Pharmaceuticals (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%	Sales of pharmaceuticals (Singapore)
Bio-Chemicals	Consolidated subsidiary	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
		Biokyowa Inc.	100.0%	Manufacture and sale of amino acids (US)
		Shanghai Kyowa Amino Acid Co., Ltd.	70.0%	Manufacture and sale of amino acids (China)
		Kyowa Hakko U.S.A., Inc.	100.0%	Sale and import/export of fine chemicals including amino acids (US)
		Kyowa Hakko Europe GmbH	100.0%	Sale and import/export of fine chemicals including amino acids (Germany)
		Kyowa Hakko Bio Italia S.r.l. (*1)	100.0%	Sale and import/export of fine chemicals including amino acids (Italy)
		Kyowa Hakko (H.K.) Co., Ltd.	100.0%	Sale and import/export of fine chemicals including amino acids (Hong Kong)
		Kyowa Hakko Bio Singapore Pte. Ltd. (*1)	100.0%	Sale and import/export of fine chemicals including amino acids (Singapore)
		Kyowa Hakko Bio U.S. Holdings, Inc.	100.0%	Holding company for administration and management of US subsidiaries (US)
		Kyowa Wellness Co., Ltd.	100.0%	Sale of healthcare products
		Shinwa Pharmaceutical Co., Ltd.	100.0%	Sale of herbal medicines and health foods
Kyowa Engineering Co., Ltd.	100.0%	Design and installation of plant facilities and equipment		
Chemicals	Consolidated subsidiary	Kyowa Hakko Chemical Co., Ltd.	100.0%	Manufacture and sale of chemicals
		Miyako Kagaku Co., Ltd. (*2, *3)	100.0%	Wholesale sales of pharmaceutical raw materials, chemicals, foods, etc.
		Kashiwagi Corporation (*2, *3)	100.0%	Wholesale sales of chemicals, food, etc.
	Affiliate accounted for by the equity method	J-PLUS Co., Ltd.	50.0%	Manufacture and sale of plasticizers
		Kurogane Kasei Co., Ltd.	40.0%	Manufacture and sale of plasticizers, fine chemicals, etc.
Other	Consolidated subsidiary	Chiyoda Kaihatsu Co., Ltd.	100.0%	Transportation, insurance, wholesale sales of food, etc.
	Affiliate accounted for by the equity method	Japan Synthetic Alcohol Co., Ltd.	33.3%	Manufacture and sale of industrial use alcohol
		Kirin Kyowa Foods Company, Limited	35.0%	Manufacture and sale of seasonings, confectionery and bread products
		Kirin Kyowa FD Co., Ltd.	35.0%	Manufacture and sale of freeze-dried foods
		Kirin Ohland Foods Co., Ltd.	35.0%	Manufacture and sale of bakery products, etc.
		Aji-Nihon Co., Ltd.	16.2%	Manufacture and sale of foods and seasonings, etc.
Zenmi Foods Inc.	17.5%	Manufacture and sale of seasonings		

Notes: 1. Changes to the scope of consolidation

Newly consolidated: Two companies: Kyowa Hakko Bio Italia S.r.l. and Kyowa Hakko Bio Singapore Pte. Ltd.

2. As of the fiscal period ended December 31, 2010, results of subsidiaries Miyako Kagaku Co., Ltd., and Kashiwagi Corporation have been moved from the Other segment to the Chemicals segment.

3. As of January 1, 2011, Kashiwagi Corporation will be merged with Miyako Kagaku Co., Ltd. and eliminated.

### III. Non-Consolidated Net Sales by Division (Items and main products)

#### 1. Kyowa Hakko Kirin

Billions of yen, rounded down

Pharmaceuticals division (non-consolidated)	Fiscal period to December 31, 2009	January 1, 2010 to December 31, 2010				January 1, 2011 to December 31, 2011	
	January 1 to December 31 results (A)	January 1 to June 30 results	January 1 to December 31 (as at 10/28)	January 1 to December 31 results (B)	Change on January 1 to December 31 (B/A)	January 1 to June 30 forecast	January 1 to December 31 forecast
<b>Pharmaceuticals division total</b>	<b>187.6</b>	<b>94.1</b>	<b>190.6</b>	<b>192.9</b>	<b>103%</b>	<b>97.6</b>	<b>195.6</b>
<b>Indication / Product</b>							
ESA formulation <b>Nesp</b>	35.3	17.7		41.7	118%	22.9	46.9
ESA formulation <b>Espo</b>	13.6	5.7		10.8	80%	2.1	4.0
<b>Nesp/Espo</b>	48.9	23.4	50.0	52.6	107%	25.0	50.9
Secondary hyperparathyroidism <b>Regpara</b>	6.8	4.3	9.1	9.5	140%	5.3	11.1
Antiallergenic <b>Allelock</b>	26.7	13.9	25.5	26.8	100%	16.8	29.8
Antiallergenic <b>Celtect</b>	3.3	1.4	2.7	2.7	83%	1.3	2.4
Antiallergic eyedrops <b>Patanol</b>	7.4	4.7	7.5	7.5	101%	7.2	10.2
G-CSF <b>Gran/Neu-up*1</b>	17.0	7.3	15.1	14.4	85%	6.7	14.5
Cancer pain <b>Fentos*2</b>	-	0.0		0.8	-	0.9	2.4
Anticancer <b>Farmorubicin / Adriacin*3</b>	6.4	2.4	4.8	4.8	75%		
Anticancer <b>5 – FU</b>	3.7	1.5	2.7	3.1	85%	1.4	2.7
Anticancer <b>Navelbine</b>	2.9	1.0	2.1	2.0	71%	0.8	1.6
Cardiovascular <b>Coniel</b>	23.3	10.3	20.8	21.0	90%	9.8	19.9
Cardiovascular (Hypertension) <b>Coversyl</b>	4.8	2.0	4.4	4.2	87%	1.9	3.9
Cardiovascular <b>Inovan / Pre Dopa</b>	3.5	1.5	3.3	3.0	87%	1.4	2.9
Antiepileptic <b>Depakene</b>	11.2	5.2	11.0	11.0	98%	5.3	11.0
Antiepileptic <b>Topina</b>	1.5	0.9	1.9	2.1	137%	1.1	2.4
Parkinson's disease <b>Permax*4</b>	-	0.7		2.0	-	1.1	2.3
Gastrointestinal <b>Nauzelin</b>	5.1	2.6	5.3	5.3	104%	2.4	5.0
Inflammatory bowel disease <b>Asacol*5</b>	0.0	0.2		0.7	-	1.0	2.6
<b>Exports and Technology Out-Licensing</b>	<b>18.0</b>	<b>13.1</b>	<b>24.6</b>	<b>24.1</b>	<b>134%</b>	<b>11.8</b>	<b>23.9</b>

Notes 1: As of March 1, 2010, manufacturing, sales and other rights for Neu-up were transferred to Yakult Honsha.

Therefore, Gran/Neu-up figures after March 31, 2010 include only sales figures for Gran.

2: Sales of Fentos began June 24, 2010.

3: Sales of Farmorubicin ended December 31, 2010 following completion of our contract with Pfizer and further mentions will be omitted.

4: Sales of Permax began April 1, 2010.

5: Sales of Asacol began December 16, 2009.

## 2. Kyowa Hakko Bio

Billions of yen, rounded down

Bio-Chemicals division (non-consolidated)	Fiscal period to December 31, 2009	January 1, 2010 to December 31, 2010			
	January 1 to December 31 (results) (A)	January 1 to June 30 (results)	January 1 to December 31 (forecast as at 10/28)	January 1 to December 31 (results) (B)	Change on January 1 to December 31 (B/A)
<b>Bio-Chemicals division total</b>	55.4	28.7	52.2	54.2	98%
<b>Pharmaceuticals / Industrial raw materials</b>					
<b>Amino acids</b>	19.1	10.8	19.5	20.4	106%
<b>Nucleic acids and vitamins</b>	4.5	2.5	4.9	4.8	106%
<b>Health care products</b>	8.4	4.9	9.0	9.8	117%
<b>Agrochemicals, livestock and fisheries products*1</b>	3.2	1.4	1.9	1.8	58%
<b>Alcohol*2</b>	9.8	4.1	7.6	7.1	73%

Notes 1. As of April 1, 2010 the domestic livestock and fisheries industry product sales operations of Kyowa Hakko Bio Co., Ltd. have been transferred to Aska Pharmaceuticals Co., Ltd.

2. On July 1, 2010, the Kyowa Hakko Bio Co., Ltd. alcohol business was transferred to Daiichi Alcohol Co. Ltd., a joint venture with Mercian Corporation (Kyowa Hakko Bio investment ratio: 35%).

3. In accordance with notes 1 and 2 above, the classification of the part of Kyowa Hakko Bio Co., Ltd. (parent) (Bio-chemical division) has been revised and as of the current period under review, will be displayed as follows:

Billions of yen, rounded down

Bio-Chemicals division (non-consolidated)	Fiscal period to December 31, 2009	January 1, 2010 to December 31, 2010				January 1, 2011 to December 31, 2011	
	January 1 to December 31 (results) (A)	January 1 to June 30 (results)	January 1 to December 31 forecast (as at 10/28)	January 1 to December 31 results (B)	Change on January 1 to December 31 (B/A)	January 1 to June 30 (forecast)	January 1 to December 31 (forecast)
<b>Bio-Chemicals division total</b>	55.4	28.7	52.2	54.2	98%	25.8	51.0
<b>Pharmaceuticals / Industrial raw materials</b>							
<b>Amino acids</b>	19.1	10.8	19.5	20.4	106%	9.8	19.3
<b>Nucleic acids and vitamins</b>	4.5	2.5	4.9	4.8	106%	2.4	4.8
<b>Other</b>	8.0	3.9		8.0	101%	3.6	7.7
<b>Health care products</b>	8.4	4.9	9.0	9.8	117%	5.0	9.9

## 3. Kyowa Hakko Chemical

Billions of yen, rounded down

Chemicals division (non-consolidated)	Fiscal period to December 31, 2009	January 1, 2010 to December 31, 2010				January 1, 2011 to December 31, 2011	
	January 1 to December 31 results (A)	January 1 to June 30 results	January 1 to December 31 forecast (as at 10/28)	January 1 to December 31 results (B)	Change on January 1 to December 31 (B/A)	January 1 to June 30 forecast	January 1 to December 31 forecast*
<b>Chemicals division total</b>	64.2	39.7	84.9	85.7	133%	21.1	21.1
<b>Solvents</b>	27.2	15.9	34.5	33.4	123%	8.0	8.0
<b>Raw materials for plasticizers</b>	19.8	12.2	27.4	27.7	140%	7.1	7.1
<b>Specialty chemicals</b>	14.5	9.9	20.0	21.2	146%	5.3	5.3

Note: As announced October 22, 2010, Kyowa Hakko Kirin plans to sell all shares of Kyowa Hakko Chemical Co., Ltd. to KJ Holdings in March 2011.

As a result, only Kyowa Hakko Chemical results for January 1 to March 31, 2011 have been included in the forecasts for fiscal year ending December 31, 2011.



## R&D PIPELINES

### Phase II, Phase III

Jan 28th 2011

Therapeutic area	Code Name Generic Name	Mechanism of action	Stage		Indication	Formulation	In-house or Licensed	Remarks
			Japan	Other countries				
Oncology	KW-0761	Anti-CCR4 humanized antibody	Phase II		Adult T-cell leukemia/lymphoma	Injection	Developed In-house	(※) POTELLIGENT®
				Phase I / II in USA	Peripheral T-cell lymphoma and cutaneous T-cell lymphoma			
			Phase II		Adult T-cell leukemia/lymphoma, Add-on therapy			
			Phase II		Peripheral T/NK-cell Lymphoma			
	KRN321 Darbepoetin Alfa	long-acting Erythropoiesis stimulating agent	Filed Nov/2008		☆ Chemotherapy induced anemia	Injection	Kirin-Amgen	Launched for anemia of CKD patients
	KW-2246 Fentanyl citrate	μ-opioid receptor agonist	Phase III		Cancer pain	Sublingual tablet	Licensed from Orexo	
KRN125 Pegfilgrastim	long-acting Granulocyte colony stimulating factor	Phase II		Neutropenia	Injection	Kirin-Amgen		
ARQ 197	c-Met inhibitor	Phase II	Phase II in Korea	Gastric cancer	Oral	Licensed from ArQule.		
Nephrology	KRN321 Darbepoetin Alfa	long-acting Erythropoiesis stimulating agent	Phase III		☆ Pediatric Renal Anemia	Injection	Kirin-Amgen	Launched in Japan for anemia of CKD patients
				Phase II in China	Anemia (on dialysis)			
	KRN1493 Cinacalcet Hydrochloride	Calcium receptor agonist		Phase III in China	Secondary hyperparathyroidism	Oral	Licensed from NPS	Japan: Already launched
Immunology/Allergy	ASKP 1240	Anti-CD40 fully human monoclonal antibody	Phase I	Phase II in USA	Organ transplant rejection	Injection	Developed In-house	Jointly developed with Astellas
CNS	KW-6002 Istradefylline	Adenosine A2a receptor antagonist	Phase III	Licensed-out Jun/2010	Parkinson's disease	Oral	Developed In-house	Entered into a license agreement with Biovail Laboratories International SRL
	KW-6500 Apomorphine Hydrochloride	Dopamine receptor agonist	Phase III		Parkinson's disease	Injection	Licensed from Britannia Pharma.	
	KW-6485 Topiramate	Antiepileptic drugs	Phase III		☆ Pediatric epilepsy	Oral		
Other	AMG531 Romiplostim	Thrombopoietin receptor agonist	Approved Jan/2011		Immune thrombocytopenic purpura	Injection	Kirin-Amgen	

### Phase I

Therapeutic area	Code Name Generic Name	Mechanism of action	Stage		Indication	Formulation	In-house or Licensed	Remarks
			Japan	Other countries				
Oncology	KW-2450	IGF-1 receptor signal inhibitor		Phase I in USA	Cancer	Oral	Developed In-house	
	KRN330	Anti-A33 fully human antibody		Phase I / II a in USA	Cancer	Injection	Developed In-house	
	B I W-8962	anti-GM2 humanized kinase antibody		Phase I / II a in USA	Cancer	Injection	Developed In-house	POTELLIGENT®
	KRN951 Tivozanib	VEGF receptor inhibitor	Phase I		Cancer	Oral	Developed In-house	
	ARQ 197	c-Met inhibitor	Phase I		Cancer (Lung cancer)	Oral	Licensed from ArQule.	
	KW-2478	HSP90 inhibitor		Phase I / II a in UK/US	Cancer	Oral	Developed In-house	
Nephrology	RTA 402 Bardoxolone Methyl	Antioxidant Inflammation Modulator	Phase I		Diabetic nephropathy	Oral	Licensed from Reata	
Immunology/Allergy	KHK4563 Benralizumab	Anti-IL-5 receptor humanized antibody	Phase I		Asthma	Injection	Developed In-house	Being developed by MedImmune as MEDI-563 worldwide except in Japan and other Asian countries POTELLIGENT®
Other	KHK6188	Cannabinoid CB2 receptor agonist	Phase I		Neuropathic pain	Oral	Developed In-house	
	KW-3357 Antithrombin	Recombinant human antithrombin	Phase I	Phase I in Europe	Disseminated intravascular coagulation, Congenital antithrombin deficiency	Injection	Developed In-house	
	KRN23	Anti-FGF23 human fully antibody		Phase I in USA	X-linked hypophosphatemic rickets/osteomalacia (XLH)	Injection	Developed In-house	
	Z-206 Mesalazine	pH dependent controlled release tablet	Phase I		☆ Crohn's disease	Oral	Licensed from Zeria Pharma.	Jointly developed with Zeria Pharma Launched in Japan for ulcerative colitis from December, 2009.

(※) KW-0761 is outlicensed to Amgen Inc. on March 6th, 2008, with an exclusive right to develop and commercialize KW-0761 worldwide, except in Japan, Korea, China and Taiwan. Kyowa Hakko Kirin has retained the development and commercialization rights in these countries. In 2010, KHK paid Amgen US\$20M for the buy-out of Amgen's option to assume the development and commercialization of KW-0761 in oncology setting in Amgen's licensed territory, which was granted under the License Agreement.

Note)

In Taiwan, Korea, Vietnam, an NDA of Pegfilgrastim has been filed.

In Thailand, Singapore, Malaysia and Philippines, an NDA of Darbepoetin Alfa has been filed.

In Singapore, an NDA of Cinacalcet Hydrochloride has been filed.

In Hong Kong, Malaysia, Singapore, Korea, an NDA of Romiplostim has been filed.

Updated since Oct 28th, 2010 (Area, Stage, Filed, Approved, Launched etc.)

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New indication