

FOR IMMEDIATE RELEASE

## Kyowa Hakko Kirin Group: Medium-term Business Plan 2010-2012

Tokyo, January 29, 2010 -- Kyowa Hakko Kirin Group (Kyowa Hakko Kirin Co., Ltd.; TSE 4151) today announced its medium-term business plan for the period FY2010 to FY2012 (January 1, 2010 to December 31, 2012).

We aim to establish Kyowa Hakko Kirin Group as a world-class, R&D-focused life sciences company, based on biotechnology, and with the Pharmaceuticals business at its core.

### 1. Basic Group Policies

Kyowa Hakko Kirin Group has established the following basic policies for the period of the plan:

- (1) Provide new value to our customers.  
Focus our business resources in the Pharmaceuticals and Bio-Chemicals businesses and provide new value through differentiated products and services that address diverse customer needs.
- (2) Promote globalization  
In each of our overseas target markets establish strong operating bases, including collaborations with business partners, and promote our high quality products and services.
- (3) Strengthen profitability through cost restructuring improvements  
Strengthen profitability by reforming business processes for each function and transform our cost structure by enhancing productivity across the entire value chain of the Kyowa Hakko Kirin Group, the Kirin Group and external companies.
- (4) Contribute to society and enhance our trustworthiness  
Implement group initiatives to improve and conserve the environment in all our operating activities. Redouble our efforts to ensure a high level of quality assurance, while thoroughly implementing compliance activities throughout the Group in recognition of our responsibility as a corporate citizen.
- (5) Improve group collaboration and core competencies  
Further strengthen group collaboration in developing strategic management while enhancing and improving our skills base in human resources, organizational culture and management systems, the driving force behind Group cooperation.

### 2. Targets

#### (1) Numerical targets for fiscal 2012 (consolidated)

	<i>(Billions of Yen)</i>	
	Fiscal 2012 (targets)	January 1, 2009 to December 31, 2009 (actual)
Net sales	454.0	407.0
Operating income (before goodwill amortization)	61.0	40.3
Operating income (after goodwill amortization)	51.7	30.9
Dividend payout ratio (based on profit before goodwill amortization)	30%+	--

The fiscal period ended December 2009 is a 9-month reporting period resulting from the change to the fiscal year end and therefore the figures in the January 1, 2009 to December 31, 2009 (actual) column have been provided as a 12-month reporting period for reference purposes and consists of the consolidated fourth quarter of fiscal 2008 (the 3-month period from January 1, 2009 to March 31, 2009) and the consolidated fiscal period 2009 (the 9-month period from April 1, 2009 to December 31, 2009).

## (2) Segmental targets for fiscal 2012 (consolidated)

	<i>(Billions of Yen)</i>		
	Pharmaceuticals	Bio-Chemicals	Chemicals
Net Sales	225.0	88.0	147.0
Operating income (before goodwill amortization)	45.0	9.0	7.0
Operating income (after goodwill amortization)	36.4	8.4	7.0

### 3. Main strategies for the plan

#### 1) Pharmaceuticals

##### 1. Research and Development

- Leverage our cutting edge bio-technologies, primarily in antibody technologies, to enhance our development pipeline and promote discovery research in key areas (cancer, kidney, immunology)
- Accelerate new drug development through effective utilization of overseas locations and aim to swiftly acquire proof of concept for several products in development
- Each year aim to achieve new drug applications for two or more products, (including additional indications)

##### 2. Production

- Realize production efficiencies through reorganizing production facilities and promoting outsourcing
- Begin operation of new manufacturing facilities with large-scale animal cell culture tanks for investigational therapeutic antibodies

##### 3. Domestic sales

- Aim to continue to expand our market share for existing core products
- Rapidly penetrate the market with new products
- Improve operating efficiencies by reorganizing our marketing structure

##### 4. Overseas business

- Expand sales in Asia by strengthening our in-house sales capabilities and improve our reliability assurance system
- Improve our organization in the US and Europe with a view to commencing new drug sales

#### 2) Bio-Chemicals

1. Expand sales of key products such as high added value amino acids
2. Strengthen collaboration with Kirin Group in healthcare
3. Enhance our production systems to achieve the stable supply of fine chemical products and bulk pharmaceuticals

#### 3) Chemicals

1. Strengthen business foundations to expand sales of core products and aim to stabilize profits
2. Expand sales of environment-friendly specialty chemicals globally
3. Strive to enhance the safety and security of our operations

#### 4. Shareholders' returns

In our medium-term business plan we are targeting a dividend payout ratio of at least 30% on the basis of consolidated profits prior to the amortization of goodwill

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*\*The above forecasts are based on information available and assumptions made at the time of release of this document about a number of uncertain factors that can affect results in the future. It is possible that actual results are materially different for a wide variety of reasons.*

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*This document is an English translation of parts of the Japanese-language original. All financial information has been prepared in accordance with generally accepted accounting principles in Japan. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including fluctuations in exchange rates, changing economic conditions, legislative and regulatory developments, delays in new product launches, and pricing and product initiatives of competitors.*