

February 8, 2018

KYOWA KIRIN

Kyowa Hakko Kirin Co., Ltd.

Appendix to the Consolidated Financial Summary (IFRS) Fiscal 2017

(January 1, 2017 - December 31, 2017)

- These materials were made as a supplement to the Kessan Tanshin (Consolidated Financial Summary, IFRS), disclosed at the Tokyo Stock Exchange on February 8, 2018 for Fiscal 2017, from January 1, 2017 to December 31, 2017.
- Starting in the fiscal year ended December 31, 2017, the Group has voluntarily adopted International Financial Reporting Standards (IFRS), in lieu of the previously applied Japanese GAAP (J-GAAP), for the consolidated financial statements.
- This document is an English translation of parts of the Japanese-language original. The statements, including earnings forecasts, contained in these materials are based on the information currently available to the Company and on certain assumptions deemed to be reasonable by management. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ materially from these projections for a wide variety of reasons.
- Figures presented in these materials have been rounded to the nearest tenth.

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The average exchange rate for each period was as follows:

Unit: Yen

	J-GAAP								IFRS	
	FY 2016 results				FY 2017 results				FY 2017 results	FY 2018 forecasts
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec	Jan - Dec
USD	117	114	111	109	115	113	112	112	112	110
EUR	128	127	123	121	122	122	124	126	126	130
GBP	169	165	156	150	143	142	142	144	144	150

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I. Consolidated Financial Results (IFRS)

1. Trends in consolidated profit

Unit: Billions of yen, rounded to the nearest tenth

	FY 2016 results	FY 2017 results				FY 2018 forecasts	
	Jan - Dec	Jan - Dec	Change amount	Jan - Dec latest forecasts*	% of forecasts	Jan - Dec	%
Revenue	348.0	353.4	5.4	348.0	102%	335.0	95%
Cost of sales	(133.4)	(129.1)	4.3	-	-	(114.0)	88%
Gross profit	214.6	224.3	9.7	-	-	221.0	99%
Selling, general and administrative expenses	(110.2)	(113.0)	(2.7)	-	-	(117.0)	104%
Research and development expenses	(52.9)	(49.2)	3.7	-	-	(49.5)	101%
Share of profit (loss) of investments accounted for using equity method	(12.4)	(4.5)	7.9	-	-	(3.5)	78%
Core operating profit	39.1	57.7	18.6	51.0	113%	51.0	88%
Other income	4.3	6.6	2.4	-	-	-	-
Other expenses	(1.3)	(8.4)	(7.1)	-	-	-	-
Finance income (costs)	0.8	(0.1)	(0.9)	-	-	-	-
Profit before tax	42.9	55.8	13.0	-	-	61.0	109%
Income tax expense	(12.4)	(13.0)	(0.5)	-	-	-	-
Profit	30.5	42.9	12.4	35.0	123%	44.0	103%

EPS (¥/share)	55.65	78.38	22.73	-	-	80.39	-
Annual dividend (¥/share)	25.00	27.00	2.00	-	-	30.00	-
Dividend payout ratio (%)	44.9	34.4	-	-	-	37.3	-
ROE (%)	5.3	7.2	-	-	-	-	-

* "Jan-Dec latest forecasts" represents pro forma forecasts of performance results under IFRS for FY 2017, which were disclosed on October 26, 2017.

2. Revenue by geographic region

Unit: Billions of yen, rounded to the nearest tenth

	FY 2016 results		FY 2017 results		FY 2018 forecasts	
	Jan - Dec	Percentage of consolidated revenue	Jan - Dec	Percentage of consolidated revenue	Jan - Dec	Percentage of consolidated revenue
Japan	250.5	72.0%	240.9	68.2%	221.2	66.0%
International	97.5	28.0%	112.5	31.8%	113.8	34.0%
Americas	17.7	5.1%	24.7	7.0%	29.7	8.9%
Europe	50.4	14.5%	56.0	15.8%	55.2	16.5%
Asia	28.2	8.1%	30.2	8.6%	28.0	8.3%
Others	1.2	0.3%	1.6	0.5%	0.9	0.3%
Total consolidated revenue	348.0	100%	353.4	100%	335.0	100%

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

3. Other trends

(1) Research and development expenses

Unit: Billions of yen, rounded to the nearest tenth

	FY 2016 results	FY 2017 results	FY 2018 forecasts
	Jan - Dec	Jan - Dec	Jan - Dec
Research and development (R&D) expenses	52.9	49.2	49.5
<i>R&D expenses to revenue ratio</i>	15.2%	13.9%	14.8%
Pharmaceuticals	49.7	46.1	46.5
<i>R&D expenses to revenue ratio</i>	18.4%	16.7%	17.7%
Bio-Chemicals	3.2	3.1	3.0

(2) Capital expenditures (property, plant and equipment) Unit: Billions of yen, rounded to the nearest tenth

	FY 2016 results	FY 2017 results	FY 2018 forecasts
	Jan - Dec	Jan - Dec	Jan - Dec
Capital expenditures	20.8	14.3	12.5
Pharmaceuticals	12.8	6.6	5.3
Bio-Chemicals	8.0	7.7	7.2

(3) Depreciation and amortization (property, plant and equipment and intangible assets)

Unit: Billions of yen, rounded to the nearest tenth

	FY 2016 results	FY 2017 results	FY 2018 forecasts
	Jan - Dec	Jan - Dec	Jan - Dec
Depreciation and amortization	23.8	22.0	24.6
<i>Amortization of intangible assets</i>	9.1	7.8	9.1
Pharmaceuticals	16.8	15.3	17.3
<i>Amortization of intangible assets</i>	9.0	7.7	9.1
Bio-Chemicals	6.9	6.7	7.3

II. Consolidated Statement of Cash Flows (IFRS)

Unit: Billions of yen, rounded to the nearest tenth

	FY 2016 results	FY 2017 results	
	Jan - Dec	Jan - Dec	Change amount
Cash flows from operating activities	66.9	64.9	(2.0)
Cash flows from investing activities	(49.8)	(45.3)	4.6
Cash flows from financing activities	(13.9)	(18.3)	(4.4)
Effect of exchange rate changes on cash and cash equivalents	(2.9)	1.3	4.2
Net increase (decrease) in cash and cash equivalents	0.3	2.7	2.4
Transfer to assets held for sale	-	(1.1)	(1.1)
Cash and cash equivalents at beginning of period	12.8	13.1	0.3
Cash and cash equivalents at end of period*	13.1	14.7	1.6

* Cash reserves at end of period

Cash and cash equivalents at end of period	13.1	14.7	1.6
Loans receivable from parent in excess of three months	114.5	143.2	28.7
Time deposits whose maturity periods exceed three months	0.0	0.0	(0.0)
Cash reserves at end of period	127.6	157.9	30.3

III. Core Operating Profit or Loss by Segment (IFRS)

1. Pharmaceuticals segment

Unit: Billions of yen, rounded to the nearest tenth

	FY 2016 results	FY 2017 results		FY 2018 forecasts	
	Jan - Dec	Jan - Dec	Change amount	Jan - Dec	%
Revenue	270.0	275.8	5.7	262.0	95%
Revenue from external customers	269.3	274.8	5.5	261.0	95%
Japan	207.4	197.8	(9.6)	181.0	91%
International	61.8	76.9	15.1	80.0	104%
International revenue ratio	23%	28%	-	31%	-
Americas	8.2	15.0	6.8	20.8	138%
Europe	36.6	41.5	4.9	39.8	96%
Asia	16.4	19.6	3.2	18.8	96%
Others	0.6	0.8	0.2	0.6	82%
Inter-segment revenue	0.8	1.0	0.2	1.0	101%
Cost of sales	(81.1)	(79.1)	2.1	(70.0)	89%
Gross profit	188.9	196.7	7.8	192.0	98%
Selling, general and administrative expenses	(93.4)	(95.5)	(2.2)	(99.0)	104%
Research and development expenses	(49.7)	(46.1)	3.5	(46.5)	101%
Share of profit (loss) of investments accounted for using equity method	(12.4)	(4.5)	7.9	(3.5)	78%
Core operating profit	33.5	50.5	17.0	43.0	85%

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

* The figures represent amounts before elimination of inter-segment transactions.

2. Bio-Chemicals segment

Unit: Billions of yen, rounded to the nearest tenth

	FY 2016 results	FY 2017 results		FY 2018 forecasts	
	Jan - Dec	Jan - Dec	Change amount	Jan - Dec	%
Revenue	81.8	81.1	(0.7)	76.0	94%
Revenue from external customers	78.7	78.6	(0.1)	74.0	94%
Japan	43.0	43.0	(0.0)	40.2	93%
International	35.7	35.6	(0.1)	33.8	95%
International revenue ratio	45%	45%	-	46%	-
Americas	9.5	9.7	0.1	9.0	93%
Europe	13.7	14.4	0.7	15.4	107%
Asia	11.8	10.7	(1.1)	9.2	86%
Others	0.6	0.8	0.2	0.3	32%
Inter-segment revenue	3.1	2.5	(0.6)	2.0	79%
Cost of sales	(56.0)	(53.3)	2.7	(47.0)	88%
Gross profit	25.8	27.8	2.0	29.0	104%
Selling, general and administrative expenses	(17.0)	(17.6)	(0.5)	(18.0)	102%
Research and development expenses	(3.2)	(3.1)	0.1	(3.0)	98%
Core operating profit	5.6	7.2	1.6	8.0	111%

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

* The figures represent amounts before elimination of inter-segment transactions.

IV. Revenue from Main Products of Pharmaceuticals Segment (IFRS)

Unit: Billions of yen, rounded to the nearest tenth

Indication / Product name		FY 2016 results	FY 2017 results		FY 2018 forecasts	
		Jan - Dec	Jan - Dec	Change amount	Jan - Dec	%
Japan	Renal anemia treatment drug Nesp	56.4	56.3	(0.1)	52.4	93%
	Renal anemia treatment drug Espo	1.6	1.4	(0.2)	1.1	78%
	Secondary hyperparathyroidism Regpara	20.0	18.5	(1.4)	13.2	71%
	Secondary hyperparathyroidism Rocaltrol	4.2	4.1	(0.1)	3.5	87%
	Type-2 diabetes Onglyza	6.3	7.3	1.1	7.6	103%
	Cardiovascular (Hypertension & angina pectoris) Coniel	7.6	6.3	(1.3)	4.9	77%
	Agent for decreasing the incidence of febrile neutropenia G-Lasta	15.5	18.1	2.6	20.1	111%
	Neutropenia treatment drug Gran	4.1	3.3	(0.8)	2.7	83%
	Transdermal persistent pain Fentos	6.3	6.0	(0.3)	5.7	96%
	Anticancer Poteligeo	1.9	1.9	(0.1)	1.8	95%
	Chronic idiopathic thrombocytopenic purpura Romiplate	3.3	3.4	0.1	3.4	100%
	Antiallergenic Allelock	18.2	15.9	(2.3)	11.7	74%
	Antiallergic eyedrops Patanol	13.0	12.8	(0.1)	12.1	94%
	Ulcerative colitis Asacol	4.8	4.2	(0.5)	3.4	80%
	Psoriasis vulgaris Dovobet	5.5	5.3	(0.2)	6.2	117%
	Psoriasis Lumicef	0.1	1.0	0.9	2.7	281%
	Parkinson's disease Nouria	7.3	8.5	1.2	9.4	111%
	Antiepileptic Depakene	7.3	6.5	(0.8)	5.4	82%
	Gastrointestinal Nauzelin	3.2	2.5	(0.7)	2.1	85%
International	Renal anemia treatment drug Nesp	4.9	5.7	0.7	5.8	103%
	Secondary hyperparathyroidism Regpara	1.8	2.2	0.4	2.8	123%
	Agent for decreasing the incidence of febrile neutropenia Neulasta/Peglasta	1.5	2.0	0.5	2.0	101%
	Neutropenia treatment drug Gran	4.9	5.2	0.2	4.4	86%
	Cancer pain Abstral	10.6	11.9	1.3	13.2	111%
	Cancer pain PecFent	4.0	4.1	0.1	5.2	128%
	Anticancer Mitomycin-C	3.2	3.4	0.2	2.0	57%
	Chemotherapy-induced nausea and vomiting drug Sancuso	3.1	3.0	(0.1)	2.8	92%
	Opioid-induced constipation (OIC) Moventig	0.3	0.8	0.6	2.4	299%
	Replacement therapy with testosterone for male hypogonadism Tostran/Fortesta	2.4	2.2	(0.2)	2.1	93%
	Relief of pain associated with chronic anal fissures Rectogesic	1.7	1.6	(0.1)	1.6	95%
	Osteoporosis drug Adcal-D3	3.9	3.6	(0.4)	3.3	93%
	Technology out-licensing	12.7	18.4	5.7	21.9	119%

* Revenue is classified as Japan or International (other than Japan) based on customer location.

V. Summary of Differences between IFRS and J-GAAP

Unit: Billions of yen, rounded to the nearest tenth

FY 2017 results J-GAAP		FY 2017 results IFRS		Differences	Description of major differences
Net sales	350.7	Revenue	353.4	2.7	<ul style="list-style-type: none"> • Deferment of out-licensing revenue +4.3 • Netting of Liquor Taxes (1.5) *Offsetting against cost of sales
Cost of sales	(130.6)	Cost of sales	(129.1)	1.5	
Gross profit	220.1	Gross profit	224.3	4.2	
Selling, general and administrative expenses (excluding amortization of goodwill and R&D expenses)	(113.4)	Selling, general and administrative expenses	(113.0)	0.4	
R&D expenses	(53.6)	Research and development expenses	(49.2)	4.4	
-		Share of profit (loss) of investments accounted for using equity method	(4.5)	-	
-		Core operating profit	57.7	-	*
Amortization of goodwill	(12.5)	-		-	
		Other income	6.6	-	
		Other expenses	(8.4)	-	
Operating profit	40.6	-		-	
Non-operating income	1.8	Finance income (costs)	(0.1)	-	
Non-operating expenses	(6.9)			-	<ul style="list-style-type: none"> • Share of profit (loss) of entities accounted for using equity method under J-GAAP (4.6)
Ordinary profit	35.6	-		-	
Extraordinary income	6.4			-	
Extraordinary losses	(5.0)			-	
Profit before income taxes	37.0	Profit before tax	55.8	18.9	
Total income taxes	(10.6)	Income tax expense	(13.0)	(2.3)	
Profit	26.4	Profit	42.9	16.5	<ul style="list-style-type: none"> • Non-amortization of goodwill +12.5 • Recognizing in-licensing expenses as intangible assets +3.1 • Deferment of out-licensing revenue +3.0 • Recognition of impairment losses for intangible assets (1.6)
*					
Core operating profit (J-GAAP)	48.6	Core operating profit (IFRS)	57.7	9.2	<ul style="list-style-type: none"> • Recognizing in-licensing expenses as intangible assets +4.4 • Deferment of out-licensing revenue +4.3










Core operating profit (J-GAAP) = Operating profit + Amortization of goodwill + Share of profit (loss) of entities accounted for using equity method

VI . R&D Pipeline













Filed • Approved

 antibody
  protein
  small molecule

As of Dec.31, 2017

Filed • Approved		Code Name Generic Name Formulation		Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Nephrology		KRN321 Darbepoetin Alfa Injection	Long-Acting Erythropoiesis Stimulating Agent	Renal Anemia (on Dialysis)	NDA in preparation in CN	Kirin-Amgen		
				Renal Anemia	Filed in ID			
		KRN1493 Cinacalcet Hydrochloride Oral	Calcium Receptor Agonist	Secondary Hyperparathyroidism	Filed in BN	Licensed from NPS		
		©KHK7580 Evocalcet Oral	Calcium Receptor Agonist	Secondary Hyperparathyroidism	Filed in JP	Licensed from Mitsubishi Tanabe Pharma		
Oncology		KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Cutaneous T-cell Lymphoma	Filed in US Filed in EU Filed in JP	In-House	POTELLIGENT® <div>Additional Indication, Dosage and Administration</div>	
		Granisetron Patch	5-HT ₃ Serotonin Receptor Antagonist	Chemotherapy induced Nausea and Vomiting	Filed in MY	Licensed from Solasia Pharma		
	Immunology /Allergy		©KHK4563 Benralizumab Injection	Anti-IL-5 Receptor Humanized Antibody	Asthma	Filed in JP	In-House	POTELLIGENT® Jointly Developed with AstraZeneca/MedImmune NDA holder is AstraZeneca
		KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Psoriasis	Filed in TW	Kirin-Amgen		
			Filed in TH					
			Filed in SG					
					Filed in MY			
Central Nervous System		KW-6002 Istradefylline Oral	Adenosine A _{2A} Receptor Antagonist	Parkinson's Disease	NDA in preparation in US	In-House		
Other		©KRN23 Burosumab Injection	Anti-FGF23 Fully Human Antibody	X-linked Hypophosphatemia (XLH)	Filed in EU Filed in US	In-House	Human Antibody-Producing Technology Jointly Developed with Ultragenyx in US and EU	




Phase II, Phase III

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Nephrology		©RTA 402 Bardoxolone Methyl Oral	Antioxidant Inflammation Modulator	CKD in Patients with Type 2 Diabetes	Phase II in JP	Licensed from Reata	
		©KHK7580 Evocalcet Oral	Calcium Receptor Agonist	Hypercalcemia In Patients With Parathyroid Carcinoma or Primary Hyperparathyroidism	Phase III in JP	Licensed from Mitsubishi Tanabe Pharma	
Oncology		©KHK2375 Entinostat Oral	HDAC Inhibitor	Breast Cancer	Phase II in JP	Syndax	
		KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Adult T-cell Leukemia/Lymphoma	Phase II in US, EU and others	In-House	POTELLIGENT®
Immunology /Allergy		©KHK4083 Injection	Anti-OX40 Fully Human Antibody	Ulcerative Colitis	Phase II in US, EU and others	In-House	POTELLIGENT® Human Antibody-Producing Technology
		©KHK4563 Benralizumab Injection	Anti-IL-5 Receptor Humanized Antibody	Asthma	Phase III in JP and KR	In-House	POTELLIGENT® Jointly Developed with AstraZeneca/MedImmune
				Chronic Obstructive Pulmonary Disease (COPD)	Phase III in JP		
				Eosinophilic Chronic Rhinosinusitis (ECRS)	Phase II in JP		
		KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Psoriasis	Phase III in KR	Kirin-Amgen	
				Axial Spondyloarthritis (axSpA)	Phase III in JP, KR and TW		
		©ASKP1240 Bleselumab Injection	Anti-CD40 Fully Human Antibody	Recurrence of Focal Segmental Glomerulosclerosis (FSGS) in <i>de novo</i> kidney transplant recipients	Phase II in US	In-House	Human Antibody-Producing Technology Jointly Developed with Astellas
Central Nervous System		KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	HTLV-1 associated myelopathy (HAM)	Phase III in JP	In-House	POTELLIGENT®
		©KW-6356 Oral	Adenosine A _{2A} Receptor Antagonist	Parkinson's Disease	Phase II in JP	In-House	
Other		©KRN23 Burosumab Injection	Anti-FGF23 Fully Human Antibody	X-linked Hypophosphatemia (XLH) in adult patients	Phase III in US, CA, EU, JP and KR	In-House	Human Antibody-Producing Technology Jointly Developed with Ultragenyx in US and EU
				X-linked Hypophosphatemia (XLH) in pediatric patients	Phase III in US, CA, EU, AU, JP and KR		
				Tumor Induced Osteomalacia (TIO)/Epiderma I Nevus Syndrome (ENS)	Phase II in US Phase II in JP and KR		
		AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Aplastic Anemia Idiopathic (Immune) Thrombocytopenic Purpura	Phase II / III in JP and KR Phase III in CN	Kirin-Amgen	








Updated since Sep. 30th, 2017 (Area, Stage, Filed, Approved, etc.)
© New Molecular Entity

VI . R&D Pipeline

Ph I

 antibody  protein  small molecule

As of Dec. 31, 2017

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Oncology		◎KHK2455 Oral	IDO 1 Inhibitor	Solid Tumor	Phase I in US	In-House	Combination with KW-0761
		◎KHK2823 Injection	Anti-CD123 Fully Human Antibody	Cancer	Phase I in UK	In-House	POTELLIGENT® Human Antibody-Producing Technology
		KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Solid Tumor	Phase I in US	In-House	POTELLIGENT® Combination with Durvalumab/Tremelimumab (Jointly Developed with AstraZeneca)
					Combination with Docetaxel		
					Phase I / II in US		Combination with PF-05082566 (Jointly Developed with Pfizer)
					Phase I in JP		Combination with Nivolumab (Jointly Developed with Ono Pharmaceutical)
Immunology/ Allergy		◎KHK4083 Injection	Anti-OX40 Fully Human Antibody	Ulcerative Colitis Atopic Dermatitis	Phase I in JP Phase I in JP	In-House	POTELLIGENT® Human Antibody-Producing Technology
		KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Autoimmune Disease	Phase I in JP		
Central Nervous System		◎KHK6640 Injection	Anti-Amyloid Beta Peptide Antibody	Alzheimer's Disease	Phase I in EU Phase I in JP	Licensed from Immunas Pharma	
Others		KW-3357 Antithrombin Gamma Injection	Recombinant Human Antithrombin	Disseminated Intravascular Coagulation, Congenital Antithrombin Deficiency	Phase I in EU	In-House	

Updated since Sep. 30th, 2017 (Area, Stage, Filed, Approved, etc.)
 © New Molecular Entity

Updated since Sep. 30th, 2017 (Area, Stage, Filed, Approved, etc.)

Filed • Approved

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	Cutaneous T-cell Lymphoma	Filed in US	In-House	POTELLIGENT® Additional Indication, Dosage and Administration
					Filed in EU		
					Filed in JP		
Immunology/ Allergy		KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Psoriasis	Filed in MY	Kirin-Amgen	
Central Nervous System		KW-6002 Istradefylline Oral	Adenosine A _{2A} Receptor Antagonist	Parkinson's Disease	NDA in preparation in US	In-House	
Other		©KRN23 Burosumab Injection	Anti-FGF23 Fully Human Antibody	X-linked Hypophosphatemia (XLH)	Filed in US	In-House	Human Antibody-Producing Technology Jointly Developed with Ultragenyx in US and EU

Phase II, Phase III

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Nephrology		©KHK7580 Evocalcet Oral	Calcium Receptor Agonist	Hypercalcemia In Patients With Parathyroid Carcinoma or Primary Hyperparathyroidism	Phase III in JP	Licensed from Mitsubishi Tanabe Pharma	
Oncology		©KHK2375 Entinostat Oral	HDAC Inhibitor	Breast Cancer	Phase II in JP	Syndax	

Phase I

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Immunology/ Allergy		KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Autoimmune Disease	Phase I in JP	Kirin-Amgen	

Terminated

Area		Code Name Generic Name Formulation	Mechanism of Action	Indication	Stage	In-House or Licensed	Remarks
Oncology		©ARQ 197 Tivantinib Oral	c-Met Inhibitor	Hepatocellular Cancer	Phase III in JP	Licensed from ArQule	

(Appendix) FUJIFILM KYOWA KIRIN BIOLOGICS Co., Ltd. Pipeline of Biosimilar

As of December 31th 2017

Code Name	Generic Name	Stage	Remarks
FKB327	Adalimumab (fully human anti-TNF- α monoclonal antibody)	Filed in EU	Fujifilm Kyowa Kirin Biologics
FKB238	Bevacizumab (humanized anti-VEGF monoclonal antibody)	Phase III in US, Europe and others	Centus Biotherapeutics

<Reference> J-GAAP Information

<Reference I> Consolidated Financial Results (J-GAAP)

Accumulative

Unit: Billions of yen, rounded to the nearest tenth

	FY 2016 results				FY 2017 results						
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Change amount	Jan - Dec latest forecasts ^{*2}	% of forecasts
Net sales	88.5	174.1	257.8	343.0	90.9	175.7	258.4	350.7	7.7	347.0	101%
Gross profit	51.7	103.8	155.8	208.5	55.9	109.2	161.3	220.1	11.6	216.0	102%
Selling, general and administrative expenses	(43.2)	(88.5)	(129.0)	(176.9)	(41.2)	(85.0)	(126.9)	(179.5)	(2.6)	(177.0)	101%
Operating profit	8.5	15.3	26.8	31.6	14.7	24.1	34.4	40.6	9.0	39.0	104%
Non-operating income	1.0	2.7	1.9	3.7	1.1	1.1	1.7	1.8	(1.9)	-	-
Non-operating expenses	(1.7)	(4.4)	(6.1)	(9.0)	(2.1)	(3.1)	(4.7)	(6.9)	2.1	-	-
Ordinary profit	7.8	13.7	22.6	26.4	13.7	22.0	31.4	35.6	9.2	35.0	102%
Extraordinary income	4.3	4.5	4.5	4.7	0.6	0.6	1.2	6.4	1.7	-	-
Extraordinary losses	-	-	(0.2)	(0.8)	-	-	-	(5.0)	(4.2)	-	-
Profit before income taxes	12.2	18.2	26.9	30.3	14.3	22.6	32.6	37.0	6.7	36.0	103%
Total income taxes	(4.8)	(7.4)	(10.4)	(11.6)	(5.8)	(9.0)	(12.9)	(10.6)	1.0	-	-
Profit	7.4	10.8	16.5	18.7	8.5	13.7	19.7	26.4	7.7	21.0	125%
Amortization of goodwill	3.3	6.5	9.6	12.6	3.1	6.2	9.3	12.5	(0.1)	12.5	100%
Share of profit (loss) of entities accounted for using equity method	(1.0)	(2.1)	(4.9)	(6.0)	(1.3)	(2.4)	(3.2)	(4.6)	1.5	(4.5)	101%
Core operating profit ^{*1}	10.7	19.8	31.5	38.2	16.5	27.9	40.5	48.6	10.3	47.0	103%
EPS prior to amortization of goodwill (¥/share)	19.49	31.53	47.61	57.22	21.21	36.36	53.16	70.99	13.77	61.21	116%
ROE prior to amortization of goodwill (%)	-	-	-	5.2	-	-	-	6.4	-	-	-

*1 Core operating profit = Operating profit + Amortization of goodwill + Share of profit (loss) of entities accounted for using equity method

*2 "Jan-Dec latest forecasts" in "<Reference> J-GAAP Information" represents forecasted figures of performance results for FY 2017, which were disclosed on July 28, 2017.

Quarterly

Unit: Billions of yen, rounded to the nearest tenth

	FY 2016 results				FY 2017 results				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Change amount
Net sales	88.5	85.6	83.7	85.3	90.9	84.7	82.8	92.3	7.0
Gross profit	51.7	52.1	52.0	52.7	55.9	53.3	52.1	58.8	6.2
Selling, general and administrative expenses	(43.2)	(45.3)	(40.5)	(47.9)	(41.2)	(43.9)	(41.9)	(52.6)	(4.7)
Operating profit	8.5	6.8	11.5	4.8	14.7	9.4	10.3	6.2	1.4
Non-operating income	1.0	1.8	(0.8)	1.8	1.1	(0.0)	0.7	0.1	(1.7)
Non-operating expenses	(1.7)	(2.7)	(1.7)	(2.9)	(2.1)	(1.1)	(1.6)	(2.1)	0.7
Ordinary profit	7.8	5.8	8.9	3.8	13.7	8.4	9.4	4.2	0.4
Extraordinary income	4.3	0.2	-	0.2	0.6	0.0	0.6	5.2	5.0
Extraordinary losses	-	-	(0.2)	(0.6)	-	-	-	(5.0)	(4.5)
Profit before income taxes	12.2	6.0	8.7	3.4	14.3	8.4	10.0	4.4	1.0
Total income taxes	(4.8)	(2.7)	(3.0)	(1.2)	(5.8)	(3.2)	(3.9)	2.2	3.4
Profit	7.4	3.4	5.7	2.2	8.5	5.2	6.1	6.6	4.4
Amortization of goodwill	3.3	3.2	3.1	3.1	3.1	3.1	3.1	3.2	0.1
Share of profit (loss) of entities accounted for using equity method	(1.0)	(1.0)	(2.9)	(1.1)	(1.3)	(1.1)	(0.8)	(1.3)	(0.2)
Core operating profit	10.7	9.0	11.7	6.8	16.5	11.4	12.6	8.1	1.3

<Reference II> Operating Profit or Loss by Segment (J-GAAP)
1. Pharmaceuticals segment
Unit: Billions of yen, rounded to the nearest tenth

	FY 2016 results				FY 2017 results						
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Change amount	Jan - Dec latest forecasts	% of forecasts
Net sales	68.0	132.3	196.4	263.3	71.5	135.7	199.0	271.4	8.1	267.0	102%
Japan	52.1	101.5	151.8	202.8	49.5	98.3	145.7	197.2	(5.6)	195.9	101%
International	15.9	30.8	44.6	60.5	22.0	37.4	53.4	74.2	13.8	71.1	104%
International sales ratio	23%	23%	23%	23%	31%	28%	27%	27%	-	27%	-
Americas	3.1	4.5	6.2	8.2	5.1	7.1	9.2	15.0	6.8	14.4	105%
Europe	8.8	17.8	25.9	35.3	12.4	20.8	29.6	38.8	3.6	37.5	104%
Asia	4.0	8.3	12.2	16.4	4.3	9.2	14.1	19.6	3.2	18.8	104%
Others	0.1	0.2	0.3	0.6	0.2	0.2	0.5	0.8	0.2	0.5	168%
Gross profit	44.2	89.7	135.6	182.4	49.1	95.2	140.2	192.2	9.8	188.0	102%
Selling, general and administrative expenses	(38.3)	(78.1)	(113.5)	(156.1)	(36.2)	(74.5)	(111.1)	(158.4)	(2.4)	(155.0)	102%
Operating profit	5.9	11.7	22.0	26.3	12.9	20.7	29.1	33.8	7.5	33.0	102%

2. Bio-Chemicals segment
Unit: Billions of yen, rounded to the nearest tenth

	FY 2016 results				FY 2017 results						
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Change amount	Jan - Dec latest forecasts	% of forecasts
Net sales	21.2	43.2	63.7	83.6	20.4	41.7	61.8	82.8	(0.8)	83.0	100%
Japan	11.9	23.7	35.4	47.8	11.6	23.6	34.6	47.2	(0.6)	46.4	102%
International	9.4	19.4	28.3	35.8	8.8	18.1	27.2	35.6	(0.2)	36.6	97%
International sales ratio	44%	45%	44%	43%	43%	43%	44%	43%	-	44%	-
Americas	2.9	5.6	7.8	9.5	2.5	5.0	7.4	9.7	0.1	10.5	92%
Europe	3.5	7.5	11.0	13.9	3.4	7.2	11.0	14.4	0.6	13.3	109%
Asia	2.9	6.1	8.9	11.8	2.9	5.7	8.3	10.7	(1.1)	12.3	87%
Others	0.1	0.2	0.5	0.6	0.1	0.2	0.5	0.8	0.2	0.5	169%
Gross profit	7.3	14.0	20.3	26.2	6.8	14.0	21.0	28.1	1.8	28.0	100%
Selling, general and administrative expenses	(5.0)	(10.5)	(15.6)	(20.9)	(5.1)	(10.7)	(16.0)	(21.2)	(0.3)	(22.0)	97%
Operating profit	2.3	3.5	4.7	5.3	1.7	3.3	5.0	6.8	1.5	6.0	114%