

FOR IMMEDIATE RELEASE

Kyowa Hakko Kirin Announces Q1 Growth in Sales and Profits

Tokyo, April 28, 2010-- Kyowa Hakko Kirin Co., Ltd. (Kyowa Hakko Kirin) today announced its consolidated financial results for the first quarter of the fiscal year ending December 2010 (the three-month period from January 1, 2010 to March 31, 2010).

Note: Comparisons shown below with the previous comparable fiscal period are with figures for the three-month period January 1 to March 31, 2009. Due to a change in the fiscal year end in fiscal 2009 these figures were obtained by subtracting figures for the first nine months of the fiscal year ended March 2009 from figures for the twelve-month period ended March 31, 2009.

In the first quarter, despite the effects of the exclusion from consolidation of the Food business, a recovery in the Chemicals business and other factors led to consolidated net sales of ¥99.2 billion, up by 1.4% compared to the first quarter of the previous year. Profits benefited from an improvement in profits in the Chemicals business and lower SG&A expenses compared to the first quarter of the previous year. As a result, first quarter operating income was ¥11.5 billion (up 328.4%), and recurring income was ¥11.9 billion (up 279.5%). Net income was ¥6.0 billion (up 386.9%) showing a large increase compared to the first quarter of the previous year, which was affected by extraordinary losses including impairment losses.

Commenting on the results, Yuzuru Matsuda, President and CEO of Kyowa Hakko Kirin said, *“Despite a weak economic recovery in Japan and challenging business conditions, sales in each of our core businesses increased and operating income showed a strong improvement. Looking ahead, we will continue to focus our resources on our core businesses, pursue growth worldwide, and implement further reforms of our cost structure. Kyowa Hakko Kirin aims to pursue its vision of becoming a world-class, R&D based life sciences company, founded on biotechnology with the pharmaceutical business at its core.”*

Segmental performance

Note: Segmental results shown below exclude figures for the Food business that was consolidated in the comparable period of the previous year.

In the Pharmaceuticals business, consolidated net sales were ¥49.6 billion (up by 1.1% compared to the same period of the previous year), while operating income was ¥9.6 billion (up 87.2%) due to lower R&D expenses and other factors. Domestic sales of core products including the anemia treatments Nesp and Espo, and Regpara, a treatment for secondary hyperparathyroidism during dialysis therapy, continued to grow. However, sales of Allelock, an antiallergic agent, and Patanol antiallergic eyedrops, were lower than in the comparable period due to lower amounts of airborne pollen in Japan. In the licensing-out of technologies and export of pharmaceutical products, revenues increased significantly due to a large increase in income from technology licensing, in particular anti-allergic olopatadine hydrochloride, along with a strong performance from exports to Asia.

In new drug development in Japan, new drug applications were filed in February for KW-2246, an analgesic for cancer pain, and in March for AMG 531, a treatment for

ideopathic thrombocytopenic purpura. Overseas, in March approval was received in South Korea and Taiwan for Regpara, a treatment for secondary hyperthyroidism during dialysis therapy.

In the Bio-Chemicals business, consolidated net sales were ¥22.2 billion (up by 6.2% compared to the same period of the previous year), while operating income was ¥1.0 billion (up 10.2%). Sales of pharmaceutical and industrial use raw materials, primarily amino acids, nucleic acids and related compounds, increased due to strong sales volume growth to Asia of amino acids for pharmaceuticals and intravenous liquids. Sales at Daiichi Fine Chemical declined slightly due to sluggish sales of bulk pharmaceuticals and intermediate products. In healthcare products, there was a strong increase in customer numbers for the mail-order *Remake* series and sales of health food materials also increased.

In the Chemicals business, consolidated net sales were ¥30.2 billion (up by 154.9% compared to the same period of the previous year), partly due to the inclusion in the Chemicals segment of consolidated subsidiaries Miyako Kagaku and Kashiwagi Corporation, which were previously included in the Other segment. Operating income was ¥0.6 billion (compared to an operating loss of ¥3.5 billion in the comparable period of the previous year). Compared to the large fall in demand due to the effects of the global economic recession experienced in the same quarter of last year, demand recovered in Japan and overseas and sales volumes were significantly higher. In particular overseas markets were strong, supported by buoyant demand in China.

Due to changes in segment classifications, sales in the Other segment were ¥2.4 billion (down by 82.5% compared to the same period of the previous year), while operating income was ¥0.0 billion.

No revisions have been made to the consolidated results forecasts that were announced on January 29, 2010.

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For further information please access: <http://www.kyowa-kirin.co.jp/english/index.html>

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