Interim Term Financial Results Ended
September 2013

November 6, 2013
KYORIN Holdings, Inc.
President Masahiro Yamashita
Outline of Consolidated Financial Results for the Interim Term Ended September 2013

Trends of mainstay products and Status of generic drugs

Status of development pipeline

Environmental Hygiene business

Consolidated Financial Results Forecast for the Year Ending March 31 2014 and Dividends
Outline of Consolidated Financial Results for the Interim Term Ended September 2013
<table>
<thead>
<tr>
<th></th>
<th>Sep/12</th>
<th>Sep/13</th>
<th>Change (actual)</th>
<th>% Y/Y</th>
<th>Change (forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>480</td>
<td>509</td>
<td>+ 29</td>
<td>+ 6.0</td>
<td>- 6</td>
</tr>
<tr>
<td>Operating Income</td>
<td>63</td>
<td>62</td>
<td>- 1</td>
<td>- 0.9</td>
<td>- 5</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>66</td>
<td>65</td>
<td>- 1</td>
<td>- 1.2</td>
<td>- 5</td>
</tr>
<tr>
<td>Net Income</td>
<td>43</td>
<td>44</td>
<td>+ 1</td>
<td>+ 2.4</td>
<td>- 2</td>
</tr>
</tbody>
</table>
## Segment Sales (Consolidated)

<table>
<thead>
<tr>
<th></th>
<th>Sep/12</th>
<th>Sep/13</th>
<th>Change (actual)</th>
<th>% Y/Y</th>
<th>Change (forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>480</td>
<td>509</td>
<td>+ 29</td>
<td>+ 6.0</td>
<td>- 6</td>
</tr>
<tr>
<td><strong>Ethical drugs business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales of new ethical drugs</td>
<td>470</td>
<td>500</td>
<td>+ 30</td>
<td>+ 6.4</td>
<td>- 8</td>
</tr>
<tr>
<td>Japan</td>
<td>397</td>
<td>429</td>
<td>+ 32</td>
<td>+ 8.0</td>
<td>- 6</td>
</tr>
<tr>
<td>Overseas</td>
<td>10</td>
<td>12</td>
<td>+ 2</td>
<td>+ 13.5</td>
<td>+ 1</td>
</tr>
<tr>
<td><strong>Generic drugs</strong></td>
<td>51</td>
<td>52</td>
<td>+ 1</td>
<td>+ 2.5</td>
<td>+ 1</td>
</tr>
<tr>
<td><strong>Over-the-counter drugs</strong></td>
<td>23</td>
<td>20</td>
<td>- 3</td>
<td>- 12.9</td>
<td>- 2</td>
</tr>
<tr>
<td><strong>Healthcare Business</strong></td>
<td>9</td>
<td>8</td>
<td>- 1</td>
<td>- 11.9</td>
<td>+ 1</td>
</tr>
</tbody>
</table>

### Explanation of Variances

- **new ethical drugs(Japan)**
  - Influence of KYORIN Pharmaceutical Facilities sales (6 months)
  - Increase of main product (Kipres, Pentasa etc.). Fall below forecast (mainly Kipres)
  - Increase of royalty (licensing out product)

- **new ethical drugs(overseas)**
  - Sales of Gatifloxacin increased effect of exchange rate
  - $sales of Allergan FY12 2Q $44MM $→ FY13 2Q $35MM

- **Generic drugs**
  - Increase of health insurance pharmacy market’s sales

- **Over-the-counter drugs**
  - OTC and sales others decreased

- **Healthcare Business**
  - Sales decreased because of concentration of distribution route to mail order system
## Breakdown of Gain and Loss

<table>
<thead>
<tr>
<th></th>
<th>Sep/12</th>
<th>Sep/13</th>
<th>Change (actual)</th>
<th>% Y/Y</th>
<th>Change (forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>480</td>
<td>509</td>
<td>+ 29</td>
<td>+ 6.0</td>
<td>- 6</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>181</td>
<td>191</td>
<td>+ 10</td>
<td>+ 5.5</td>
<td>-</td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>236</td>
<td>255</td>
<td>+ 19</td>
<td>+ 8.3</td>
<td>-</td>
</tr>
<tr>
<td><strong>R&amp;D expenses</strong></td>
<td>49</td>
<td>61</td>
<td>+ 12</td>
<td>+ 25.1</td>
<td>+ 4</td>
</tr>
<tr>
<td><strong>SG&amp;A expenses</strong></td>
<td>187</td>
<td>194</td>
<td>+ 7</td>
<td>+ 3.9</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>63</td>
<td>62</td>
<td>- 1</td>
<td>- 0.9</td>
<td>- 5</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>66</td>
<td>65</td>
<td>- 1</td>
<td>- 1.2</td>
<td>- 5</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>43</td>
<td>44</td>
<td>+ 1</td>
<td>+ 2.4</td>
<td>- 2</td>
</tr>
</tbody>
</table>

### Explanation of Variances

**Operating Income**

- **Gross Profit**
  - Increased ¥1.9bln (increase of sales, cost of sales ratio remained almost the same y/y).
  - Fall below forecast (mainly Kipres)

- **R&D expenses**
  - Progress of the pipeline (KRP-209 Ph2a) (y/y + ¥1.2bln, forecast + ¥0.4bln)

- **SG&A Expenses (excluding R&D Expenses)**
  - Increased + 0.7bln, Fall below forecast (reduction of cost)
Highlights of Business Performance

(Units: ¥100mil)

**Highlight**
- Net Sales increased ¥2.9 billion year on year
  - Increase of Japan new ethical drugs sales
  - Effect of KYORIN pharmaceutical facilities sales

**Highlight**
- Cost of Sales ratio remained almost the same level as the previous year.

**Highlight**
- Gross Profit increased ¥1.9 billion year on year

**Highlight**
- SG&A expenses increased ¥1.9 billion year on year.
  - R&D expenses increased ¥1.2 billion (progress of the pipeline)
  - SG&A(excluding R&D) increased ¥0.7 billion

- Operating Income decreased ¥0.1 billion year on year.
## Mainstay Product Sales

<table>
<thead>
<tr>
<th></th>
<th>Sep/12</th>
<th>Sep/13</th>
<th>Change (actual)</th>
<th>% Y/Y</th>
<th>Change (forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kipres</td>
<td>163</td>
<td>171</td>
<td>+ 8</td>
<td>+ 5.0</td>
<td>- 6</td>
</tr>
<tr>
<td>Mucodyne</td>
<td>83</td>
<td>82</td>
<td>- 1</td>
<td>- 0.6</td>
<td>+ 2</td>
</tr>
<tr>
<td>Pentasa</td>
<td>90</td>
<td>94</td>
<td>+ 4</td>
<td>+ 4.8</td>
<td>+ 1</td>
</tr>
<tr>
<td>Uritos</td>
<td>36</td>
<td>37</td>
<td>+ 1</td>
<td>+ 2.8</td>
<td>- 2</td>
</tr>
<tr>
<td>Gatifloxacin (Over seas)</td>
<td>9</td>
<td>10</td>
<td>+ 1</td>
<td>+ 14.1</td>
<td>+ 1</td>
</tr>
</tbody>
</table>

【For reference】
Year on year rate of sales for medical institution
(calculated based on drug price)

<table>
<thead>
<tr>
<th></th>
<th>+ 8.5%</th>
</tr>
</thead>
</table>

(Ⓒ copyright 2013 IMS JAPAN K.K., Source : IMS - JPM Unauthorized copying prohibited)
Trends of mainstay products and Status of generic drugs
Kipres  Bronchial asthma and allergic rhinitis treatment

(unit: ¥100mil)

■ initiatives in FY2013

- LT antagonists market: expand 5%
  ¥54.8bln (FY12 first half) ¥57.5bln (FY13 first half) □ 1

- Share of Kipres sales
  34.5% (FY12 first half) □ 35.7% (FY13 first half) □ 2

-[for reference] Increase decrease rate of Kipres sales y/y
  sales of Kipres: +5.0%
  sales of Kipres: +8.5% □ 3
  (for medical institution)

■ Establish position as base drug for treatment of allergic rhinitis (perennial and seasonal) and growth in new prescriptions

■ Further promote prescription
  - Asthma with rhinitis
  - Viral-induced asthma

□ 1, 2, 3: Source Copyright 2013 IMS JAPAN IMS –JPM. Unauthorized copying prohibited
Uritos  Overactive bladder

(unit: ¥100mil)

- **initiatives in FY2013**
  - **OAB market**: expand 9%
    - ¥33.5bln (FY12 first half) □ ¥36.6bln (FY13 first half) □ 1
  - **share of Uritos sales**: 11.6% (FY12 first half) □ 11.0% (FY12 first half) □ 2
  - **Uncovering potential markets**
    - FY11: potential patient 9million people / consultation rate 28%
    - FY12: potential patient 9.1million people / consultation rate 29%
  - **Enlargement of Quantity**
    - Easy to use for OAB patient
    - Good balance of efficacy and safety
    - Flexible dosage

FY09 FY10 FY11 FY12 FY13 (revised) FY13 (original)

- 1st half
  - FY09: 21 □ 24 （actual）
  - FY10: 31 □ 34
  - FY11: 34 □ 36
  - FY12: 37 □ 37 （forecast）
  - FY13 (original): 39 □ 45

- 2nd half
  - FY09: 16 □ 24
  - FY10: 63 □ 39
  - FY11: 39 □ 43
  - FY12: 75 □ 80
  - FY13 (revised): 84 □ 84

"Uncovering potential markets"
- FY11: potential patient 9million people / consultation rate 28%
- FY12: potential patient 9.1million people / consultation rate 29%
Mucodyne  【 Mucoregulating drug 】

(unit : ¥100mil )

 iniciatives in FY2013

• share of Mucodyne sales in expectorant market
  45.8% (FY12 first half ) □ 45.8% (FY13 first half ) □ 1

• share of generic (Carbocisteine)
  5.9% (FY12 first half ) □ 6.8% (FY13 first half ) □ 2

Maximize uptake and prescriptions of new formulation DS50%

growth in new prescriptions for childhood inflammation of the upper airway and geriatric respiratory disorder

Increase prescriptions for chronic conditions based on EBM
bronchial asthma , chronic bronchitis , chronic sinusitis

□ 1, 2  (Source :Copyright 2013 IMS JAPAN IMS ~JPM. Unauthorized copying prohibited )
Pentasa  【Ulcerative colitis and Crohn’s disease treatment 】

(unit : ¥100mil )

■initiatives in FY2013

◆market (Mesalazine etc. ) : expand 11%
  ¥16.7bln (FY12 first half ) □ ¥18.6bln (FY13 first half ) □ 1

◆share of Pentasa sales
  58.1% (FY12 first half ) □ 53.9% (FY13 first half ) □ 2

■Establish basic prescription for ulcerative colitis.
  active period : prescription of 4g twice a day
  remission period : prescription of 2g once a day

■new drug formulation : suppositories
  sales : 9/2013 actual ¥0.5bln , 3/2014 forecast ¥1.2bln
  launch : 6/2013

□ 1,2 (Source : Copyright 2013 IMS JAPAN IMS –JPM. Unauthorized copying prohibited )
## Status of Generic Drugs

### initiatives in FY2013

- Promotion of Domestic and overseas alliances
  - Promote in-house development and contracting work
- Strengthen alliances with sales initiatives of KYORIN Pharmaceutical and KYORIN Rimedio

### Net sales

- Increase of strategic products
  - Amlodipine, Donepezil etc.

### Market Large-scale Supplementary Items and Reach Objectives

- Previous Supplementary Items (4 components, 8 items)
  - Fexofenadine, Risedronic acid etc.
- Coming Supplementary Items (4 components, 7 items)
  - Pitavastatin Ca, Valaciclovir etc.

### Operating income

- Reduce cost of sales
  - Aim for lower purchase prices for key ingredients
- Promotion of collaborative development
  - Cost reduction by co-developing and promoting contracting work

### Sales (unit: ¥100mil)

<table>
<thead>
<tr>
<th></th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13 (revised)</th>
<th>FY13 (original)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st half</td>
<td>101</td>
<td>103</td>
<td>96</td>
<td>104</td>
<td>118</td>
<td>115</td>
</tr>
<tr>
<td>2nd half</td>
<td>60</td>
<td>51</td>
<td>50</td>
<td>52</td>
<td>63</td>
<td>63</td>
</tr>
</tbody>
</table>

### Operating Income (unit: ¥100mil)

<table>
<thead>
<tr>
<th></th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13 (revised)</th>
<th>FY13 (original)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st half</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>2nd half</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>0</td>
</tr>
</tbody>
</table>
Status of development pipeline
## Drug Development Pipeline: Progress in FY2013

<table>
<thead>
<tr>
<th>Product &amp; development code</th>
<th>Ph Ⅰ</th>
<th>Ph Ⅱ</th>
<th>Ph Ⅲ</th>
<th>application</th>
<th>Approval/ Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fultiform (KRP-108)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KRP-AB1102</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KRP-AB1102F</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PhⅢ Aug/13</td>
</tr>
<tr>
<td>KRP-EPAA605</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PhⅡ Oct/13</td>
</tr>
<tr>
<td>Kipres Bronchial asthma</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PhⅡ Apr/13</td>
</tr>
<tr>
<td>(1～below the age of 15)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KRP-209</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KRP-AM1977X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PhⅡ Sep/13</td>
</tr>
<tr>
<td>KRP-AM1977Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pentasa (UC) suppository</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KRP-203</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>launch Jun/13</td>
</tr>
</tbody>
</table>

- **Respiratory**
- **Urological**
- **Otolaryngological**
- **Infections**
- **IBD**

- **Progress in FY13 first half**
- **Schedule of FY13 second half**
**Flutiform:** a combination drug for asthma

- Approved on September 2013 (the drug price in Japan is due to list on November)
- In oversea markets: launched in 12 European countries by Mundi pharma.
- Asthma Prevention and Management Guideline 2012, Japan (Japanese Society of Allergology)

### Treatment Options

<table>
<thead>
<tr>
<th>Controller Options</th>
<th>Basic Treatment</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Inhaled glucocorticosteroids</td>
<td>Inhaled glucocorticosteroids</td>
<td>Inhaled glucocorticosteroids</td>
<td>Inhaled glucocorticosteroids</td>
<td></td>
</tr>
<tr>
<td></td>
<td>long-acting β2-agonist</td>
<td>long-acting β2-agonist</td>
<td>long-acting β2-agonist</td>
<td>Flutiform</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leukotriene receptor antagonist</td>
<td>Leukotriene receptor antagonist</td>
<td>Leukotriene receptor antagonist</td>
<td>Leukotriene receptor antagonist</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sustained-release theophylline</td>
<td>Sustained-release theophylline</td>
<td>Sustained-release theophylline</td>
<td>Sustained-release theophylline</td>
<td></td>
</tr>
</tbody>
</table>

**About 2.8 million patients**

Even if it has taken controller, 60 to 80% of the patients (treatment steps 2~4) are Partly Controlled.

**About Partly Controlled**

- Nocturnal/Daytime symptoms: More than once/week
- Need for reliever/rescue treatment: More than once/week
- Limitations of activities: Any
- Lung function (PEF or FEV₁): < 80% predicted or personal best (if known)
- Circadian change of PEF: < 20%
- Exacerbations: One or more/year

---

In (changes in temperature) some risk factors

Survey of adult asthma patients with 2-4 treatment step
(Study was confined to patients has continued taking controller drugs have a regular examination)

---

Source: Kazuoakiyama, Allergology & Immunology, 19, 1120-1127 (2012)
Flutiform : a combination drug for asthma

About Flutiform:

1. Materializes ideal combination of potent ICS and rapid, long-lasting LABA. (Best Combination)
2. Offers convenience and better compliance of the patients.
3. Easy to use: MDI device offers several advantages such as reproducible doses per actuation and suitability to patients with lowered respiratory effort.

Enlightenment of proper inhalation technique:

1. Provide inhalation guidance thoroughly (doctor, pharmacist, health-care provider)
2. Enrich informed consent tool

Understanding of product profile / Appropriate inhalation
Realize the effect

Aim for early spread in the market
KRP-EPA605 (for the treatment of overactive bladder)
- prostaglandin EP1 receptor antagonist
- different mechanism of action from existing therapies (β3 agonists and anticholinergic drugs)

Status of Development
- Phase I (Oct. 2013)
- Co-development with KISSEI PHAMRACEUTICAL

aim to early approval of this drug
about new Development Research Laboratories

location : 1848, Nogi, Nogi-machi, Shimotsuga-gun, Tochigi
commencement of construction : Jan / 2014
completion of construction : Aug / 2015
commence operations : Oct / 2015
Environmental Hygiene business
Environmental Hygiene business

**existing product :** preserve and expand Disinfectant 「Milton」 (unit : ¥100mil)

<table>
<thead>
<tr>
<th></th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13 (forecast)</th>
<th>FY13 (1st half)</th>
</tr>
</thead>
<tbody>
<tr>
<td>sales</td>
<td>18</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>20</td>
<td>20</td>
<td>10</td>
</tr>
</tbody>
</table>

**new product :** promote spread of Multi-purpose disinfectant cleaner 「RUBYSTA」

Aim at expanding use through introduction and standardization at hospitals while focusing on Category-1 facilities eligible for NHI points for measures against infections.

(Note) Category-1 facilities eligible for NHI points for measures against infections: Those facilities that satisfy the requirements, such as the appointment of a full-time HAI manager and the setup of a department involved in the prevention of infections.

**expand product lineup**

- Kit product for helping prevent infection
  - Kit product for helping prevent from pandemic infection such as new strain of influenza etc.
    - (Dupont™ Tyvek® protective suit is manufactured by Dupont USA)
  - Launch: Jul / 2013
  - Medical institutions, as designated public corporations, shall prepare a manual for medical care continuation and also stockpile protective kits and other items individually according to the MHLW guidelines.

- Kit product of Multi-purpose disinfectant cleaner 「RUBYSTA」 for vomit
  - reduce a risk of infection (norovirus) from vomit and to cleanup
  - preparing for launch
Consolidated Financial Results Forecast for the Year Ending March 31 2014 and Dividends
## Consolidated Financial Results Forecast for the Year Ending March 31, 2014

### (unit: ¥100 mil)

<table>
<thead>
<tr>
<th></th>
<th>Mar/13</th>
<th>Mar/14 Revised forecast</th>
<th>Change</th>
<th>% Change</th>
<th>Change from original forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethical drugs business</td>
<td>1,070</td>
<td>1,126</td>
<td>+ 56</td>
<td>+ 5.2</td>
<td>- 4</td>
</tr>
<tr>
<td>Healthcare (skincare) Business</td>
<td>1,052</td>
<td>1,109</td>
<td>+ 57</td>
<td>+ 5.5</td>
<td>- 4</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>179</td>
<td>182</td>
<td>+ 3</td>
<td>+ 1.4</td>
<td>- 4</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>187</td>
<td>188</td>
<td>+ 1</td>
<td>+ 0.7</td>
<td>- 4</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>124</td>
<td>124</td>
<td>0</td>
<td>- 0.2</td>
<td>- 3</td>
</tr>
</tbody>
</table>

### Explanation of Variances

**Net sales**

<table>
<thead>
<tr>
<th>Category</th>
<th>Change (y/y)</th>
<th>Change (forecast)</th>
<th>Explanation of Variances</th>
</tr>
</thead>
<tbody>
<tr>
<td>new ethical drugs (Japan)</td>
<td>+ 45</td>
<td>- 7</td>
<td>influence of KYORIN Pharmaceutical Facilities sales</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>increase of main product (Kipres, Pentasa etc.) Fall below forecast(mainly Kipres)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>increase of royalty (licensing out product)</td>
</tr>
<tr>
<td>new ethical drugs (Overseas)</td>
<td>- 1</td>
<td>+ 2</td>
<td>Expenses associated with the income due to transfer of Pekiron assets were posted in the previous year.</td>
</tr>
<tr>
<td>Generic drugs</td>
<td>+ 13</td>
<td>+ 3</td>
<td>sales increased at KYORIN Rimedio</td>
</tr>
<tr>
<td>Over-the-counter drugs</td>
<td>- 1</td>
<td>- 3</td>
<td>otc and sales others decreased</td>
</tr>
<tr>
<td>Skin care business</td>
<td>- 2</td>
<td>0</td>
<td>sales decreased because of concentration of distribution route to mail order system</td>
</tr>
</tbody>
</table>

**Operating Income**

<table>
<thead>
<tr>
<th>Change (y/y)</th>
<th>Change (forecast)</th>
<th>Explanation of Variances</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ 3</td>
<td>- 4</td>
<td>change (forecast)</td>
</tr>
</tbody>
</table>

**Kyorin group will try to improve new records for sales and earnings**

---

**[For reference]**

- Cost of sales ratio: a slight increase year on year
- SG&A ratio (include R&D expense): remain mostly level year on year
- R&D expense ¥11.8bln (+0.7bln)

---

23
### Forecast of Mainstay Product Sales and Generic Drugs

(单位：¥100mil)

<table>
<thead>
<tr>
<th>Product</th>
<th>Mar/13</th>
<th>Mar/14 Revised forecast</th>
<th>Change</th>
<th>% Change</th>
<th>Change from original forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kipres</td>
<td>396</td>
<td>403</td>
<td>+7</td>
<td>+1.8</td>
<td>-5</td>
</tr>
<tr>
<td>Mucodyne</td>
<td>191</td>
<td>188</td>
<td>-3</td>
<td>-1.6</td>
<td>+1</td>
</tr>
<tr>
<td>Pentasa</td>
<td>176</td>
<td>185</td>
<td>+9</td>
<td>+5.1</td>
<td>-1</td>
</tr>
<tr>
<td>Uritos</td>
<td>75</td>
<td>80</td>
<td>+5</td>
<td>+7.2</td>
<td>-4</td>
</tr>
<tr>
<td>Gatifloxacin (Over seas)</td>
<td>16</td>
<td>18</td>
<td>+2</td>
<td>+11.8</td>
<td>+2</td>
</tr>
<tr>
<td><strong>Generic Drugs</strong></td>
<td>101</td>
<td>114</td>
<td>+13</td>
<td>+13.3</td>
<td>+3</td>
</tr>
</tbody>
</table>
Shareholder Returns

**Basic Policy**
The Company seeks to enhance its management base by balancing investments for growth and business continuity with shareholder returns. To this end, the Company aims for a consolidated payout ratio to shareholders of 30%.

<table>
<thead>
<tr>
<th>Net Income</th>
<th>FY12</th>
<th>FY13 (original forecast)</th>
<th>FY13 (revised forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>¥12.4bln</td>
<td>¥12.7bln</td>
<td>¥12.4bln</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dividends</th>
<th>FY12</th>
<th>FY13 (original forecast)</th>
<th>FY13 (revised forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend per share (Yen)</td>
<td>¥50.00 (interim ¥10.00)</td>
<td>¥52.00 (interim ¥10.00)</td>
<td>¥52.00 (interim ¥10.00)</td>
</tr>
<tr>
<td>Consolidated payout ratio(%)</td>
<td>30.1%</td>
<td>30.6%</td>
<td>31.2%</td>
</tr>
</tbody>
</table>
These forecast performance figures are based on information currently available to the Company and may include uncertain factors or risk that affect our future performance. Accordingly, actual business results may materially differ from the forecasted figures due to various factors in the future.