Second Quarter Consolidated Financial Results for the Fiscal Year Ending March 31, 2013

November 7, 2012

KYORIN Holdings, Inc.

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.

Outline of Second Quarter Consolidated Financial Results for the Fiscal Year Ending March 31, 2013

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(¥ million)	Sep/2009	Sep/2010	Sep/2011	Sep/2012	YoY change (%)	Mar/2013 (revised forecast)	YoY change (%)	Mar/2013 (original forecast)	YoY change (%)
Net Sales	45,714	46,707	46,387	**47,954**	**+3.4%**	**107,800**	**+4.4%**	**104,700**	**+1.4%**
Operating Income	4,569	4,201	4,900	**6,269**	**+27.9%**	**17,400**	**+20.3%**	**17,900**	**+23.8%**
Ordinary Income	5,172	4,542	5,253	**6,609**	**+25.8%**	**18,000**	**+17.8%**	**18,500**	**+21.1%**
Net Income	3,293	2,959	3,355	**4,295**	**+28.0%**	**11,800**	**+27.8%**	**11,800**	**+27.8%**

Second Quarter Consolidated Financial Results for the Fiscal Year Ending March 31, 2013

【 Net sales】 Sales of pharmaceutical business(ethical drug sales in Japan , generic drug) , over the counter drugs and others increased year on year, under the influence of the revision of drug prices in April this year. As a result, consolidated net sales increased 3.4% year on year, to ¥48.0bln.

【 Net income】While Cost of Sales Ratio increased, Gross Profit rose due to the increase of Net sales. Meanwhile, SG&A Expenses fell, given a decrease in R&D Expenses . Consequently, Operating Income climbed 27.9% year on year, to ¥6.3 bln, and Net Income rose 28.0%,year on year to ¥4.3 bln.

Consolidated Financial Results for the Fiscal Year Ending March 31, 2013(forecast)

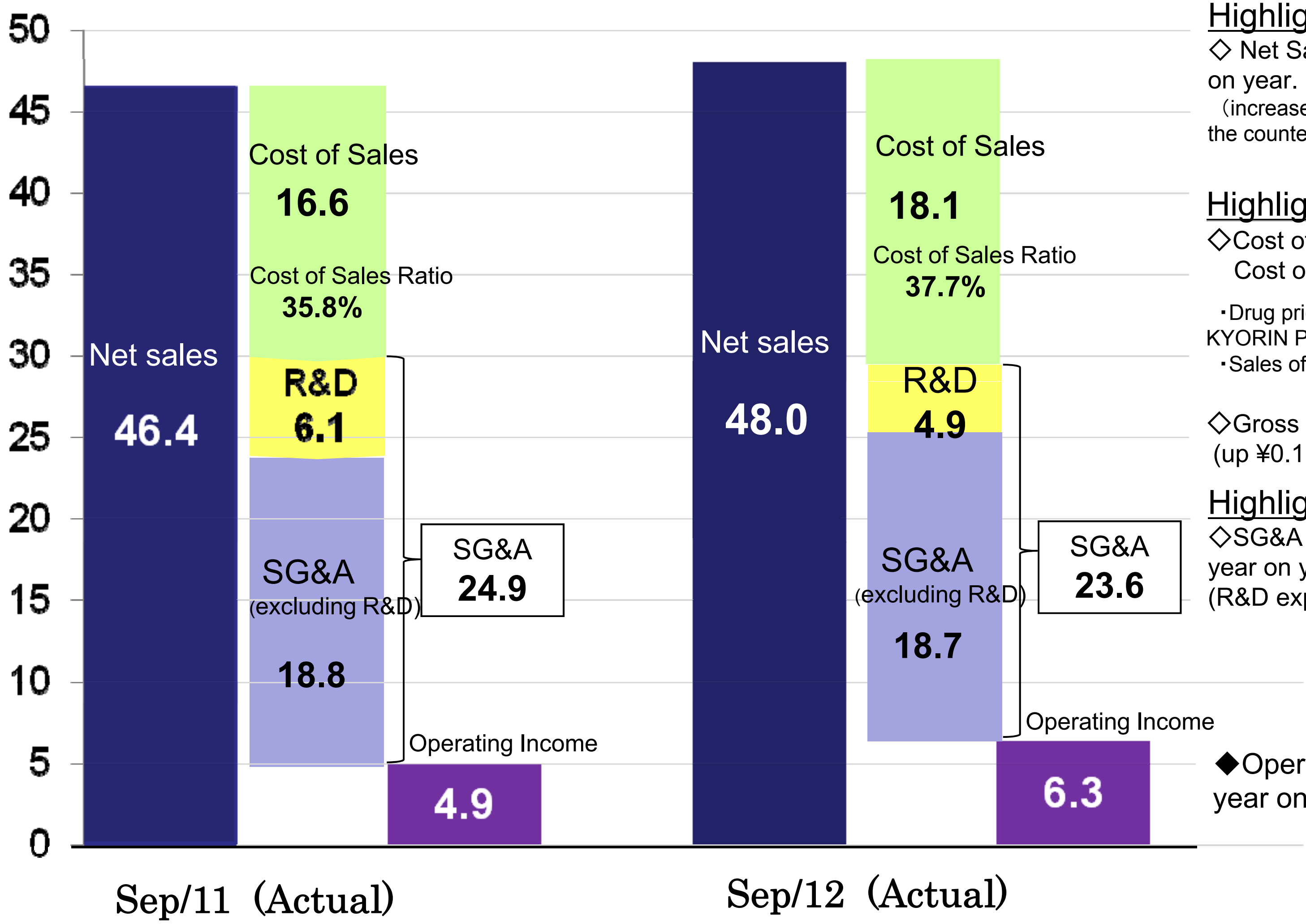
【 Net sales】We expect sales exceed previously forecast in our ethical and generic drugs and over the counter drugs and others in Japan. And moreover we newly consolidated our subsidiary company called KYORIN Pharmaceutical Facilities Co.,Ltd. Therefore we revised original forecast of fiscal year 2013 upward to ¥107.8bln(4.4% year on year).

【 Net income】Influence of business commencement of KYORIN Pharmaceutical Facilities Co.,Ltd. and increase of R&D Expense(¥0.4bln) due to the progress of our pipeline , expense is expected to exceed original forecast. As a result we revised original forecast to,¥17.4bln of Operating Income (up 20.3%) , ¥18.0bln of Ordinary income(up17.8%) . About Net income we leave original forecast unchanged.

◇The full year forecast of consolidated results for the year ending March 31, 2013, released on May 9, 2012, has been revised in this document.

Highlights of Business Performance

（ Units: ¥ billion ）



Highlight ①

◇ Net Sales increased ¥1.6 billion year on year.
（increase of ethical and generic drugs and over the counter drugs and others. ）

Highlight ②

◇Cost of Sales increased ¥1.5 bln , Cost of sales ratio rise 1.9 points.

・Drug price revisions (in the 6%range for KYORIN Pharmaceutical).
・Sales of generic drugs increased.

◇Gross Profit increased (up ¥0.1bln year on year).

Highlight ③

◇SG&A expenses dropped ¥1.3bln year on year.
(R&D expenses decreased ¥1.2bln.)

◆Operating Income rose ¥1.4 bln year on year.

Consolidated Financial Results
for the Second Quarter Ended September 30, 2012

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(¥ million)	Sep/2011 (actual)	Sep/2012 (actual)	change
Net Sales (total)	46.4	48.0	＋1.6
Ethical drugs Business	**45.2**	**47.0**	＋1.8
◆Sales of new ethical drugs	39.1	39.7	＋0.6
○Japan	38.1	38.7	＋0.6
○Overseas	1.0	1.0	0.0
◆Generic drugs	4.1	5.1	＋1.0
◆Over-the-counter drugs	2.0	2.3	＋0.3
Healthcare (Skin care) Business	**1.2**	**0.9**	－0.3

Operating Income	4.9	6.3	＋1.4
Ordinary Income	5.3	6.6	＋1.3
Net Income	3.4	4.3	＋0.9

【Sep 2011actual vs Sep 2012actual】

	year on year	vs forecast
■Net Sales ¥48.0bln	**(＋1.6)**	**(+ 0.3)**
◆Ethical drug business ¥47.0bln	**(＋1.8)**	**(＋0.5)**
● Sales of new ethical drugs **¥38.7bln**	**(+ 0.6)**	**(－0.3)**
Sep/2011 ⇒Sep/2012		
・Kipres 15.7 ⇒ 16.3 (＋0.6)		(－0.4)
・Mucodyne 9.1 ⇒ 8.3 (－0.8)		(－0.7)
・Pentasa 9.1 ⇒ 9.0 (－0.1)		(＋0.6)
・Uritos 2.9 ⇒ 3.6 (＋0.7)		(＋0.3)
● Sales of new ethical drugs in Overseas **¥1.0bln**	**(0.0)**	**(0.0)**
・Gatifloxacin 0.8 ⇒ 0.9	(＋0.1)	(＋0.1)
●Sales of Generic drugs **¥5.1bln**	**(＋1.0)**	**(＋0.5)**
・increase of wholesaler route sales(health insurance pharmacy)		
・increase of contract manufacturing's sales		
●Sales of Over-the-counter drugs **¥2.3bln**	**(+ 0.3)**	**(＋0.5)**
◆ Healthcare (Skin care) Business ¥0.9bln	**(－0.3)**	**(－0.3)**
● Sales declined at Dr. Program	**(－0.3)**	**(－0.3)**
■ Operating Income ¥6.3bln	**(＋1.4)**	**(＋0.7)**

◆Operating Income margin rose 2.5 percentage points to 13.1%

- **●Cost of Sales Ratio : up 1.9 percentage points (35.8%⇒37.7%)**
  Drug price revisions (in the 6%range for and Sales of generic drugs increased.
- **●R&D Ratio : down 2.9 percentage points (13.1%⇒10.2%)**
  ＊¥6.1bln⇒¥4.9bln (down ¥1.2bln)
  （Expenses associated with the progress of the R&D were posted in the previous year ）
- **● SG&A Ratio(excluding R&D expenses) : down 1.5 percentage points 40.5%⇒39.0%**
  ＊¥18.8bln⇒¥18.7bln (down ¥0.1bln)

	year on year	vs forecast
■ Net Income ¥4.3bln	**(+ 0.9)**	**(＋0.4)**
◆Dividend per share(interim dividend) ¥10.0		

【for reference：vs forecast】

■about increase of Operating income ¥0.7bln

●R&D expense ＊ forecast ¥5.6bln ⇒ actual ¥4.9bln（¥－0.7bln）

Main Product Sales Update

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Product name		Sep/2009	Sep/2010	Sep/2011	Sep/2012		Mar/2012	**Mar/2013 (revised forecast)**	Mar/2013 (original forecast)
					actual	% change			
Sales of new ethical drugs (Japan)	**Kipres** (LT receptor antagonist)	12.7	14.1	15.7	**16.3**	+3.7%	36.8	**38.0**	37.9
	Mucodyne (Mucoregulant)	9.3	9.4	9.1	**8.3**	−9.1%	21.5	**20.1**	21.3
	Pentasa (Ulcerative colitis and Crohn's disease treatment)	9.7	9.9	9.1	**9.0**	−1.9%	18.0	**17.9**	17.0
	Uritos (Kyorin) (Overactive bladder)	1.6	2.4	2.9	**3.6**	+24.4%	6.3	**7.8**	7.6
	Ketas (For bronchial asthma and cerebrovasculas disorders)	2.3	2.0	1.8	**1.5**	−15.5%	3.4	**3.0**	3.0
Sales of new ethical drugs (over seas)	**Gatifloxacin** (Bulk・Royalty)	1.1	1.3	0.8	**0.9**	+9.2%	1.7	**1.7**	1.5
Over-the-counter drugs	**Milton** (Disinfectant)	1.0	0.9	0.9	**1.0**	+8.8%	1.9	**2.0**	2.0

Actual and Forecast of Main Subsidiary Companies

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（unit : billion）

KYORIN pharmaceutical	Sep/2011	Sep/2012	Mar/2012	Mar/2013 (revised forecast)	Mar/2013 (original forecast)
Sales	41.8	**43.0**	93.7	**96.4**	94.6
Operating Income	4.7	**5.9**	14.0	**17.1**	17.4
Net Income	3.4	**4.2**	9.3	**11.8**	12.0

KYORIN Rimedio	Sep/2011	Sep/2012	Mar/2012	Mar/2013 (revised forecast)	Mar/2013 (original forecast)
Sales	4.6	**5.2**	9.6	**10.5**	10.2
Operating Income	0.2	**0.1**	0.3	**0.3**	0.4
Net Income	0.2	**0.0**	0.3	**0.5**	0.2

Dr. Program	Sep/2011	Sep/2012	Mar/2012	Mar/2013 (revised forecast)	Mar/2013 (original forecast)
Sales	1.2	**0.9**	2.6	**2.1**	2.7
Operating Income	0.0	**−0.1**	0.1	**−0.2**	0.1
Net Income	0.0	**−0.2**	0.0	**−0.3**	0.0

Consolidated Financial Results for the Second Quarter and full year forecast

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(¥ million)	Sep/2011	Sep/2012	Change	YoY change (%)	Mar/2012	Mar/2013 (revised forecast)	Mar/2013 (original forecast)
Sales	46,387	**47,954**	＋1,567	+3.4%	103,232	107,800	104,700
■Ethical Drugs business	45,155	**47,034**	＋1,879	+4.2%	100,654	105,700	102,000
◆Sales of new Ethical Drugs	39,098	**39,684**	＋586	+1.5%	88,011	91,100	88,700
○Japan	38,129	**38,661**	＋532	+1.4%	85,995	88,600	86,700
○Overseas	968	**1,023**	＋54	+5.6%	2,015	2,500	2,000
◆Generic Drugs	4,097	**5,056**	＋959	+23.4%	8,656	10,200	9,500
◆Over-the-counter Drugs and Others	1,959	**2,292**	＋333	+17.0%	3,987	4,400	3,800
■Consumer Healthcare Business	1,232	**920**	−311	−25.3%	2,577	2,100	2,700
Operating Income	4,900	**6,269**	＋1,368	+27.9%	14,464	17,400	17,900
Ordinary Income	5,253	**6,609**	＋1,355	+25.8%	15,275	18,000	18,500
Net Income	3,355	**4,295**	＋939	+28.0%	9,231	11,800	11,800

R&D Expenses, Capex & Depreciation <Consolidated>

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（ Units: ¥ million ）

	Sep/2009	Sep/2010	Sep/2011	Sep/2012 actual	Sep/2012 change	Mar/2012	Mar/2013 (revised forecast)	Mar/2013 (original forecast)
R&D expenses	5,670	6,879	6,075	**4,892**	−19.5%	13,964	**11,500**	11,100
Capital expenditure	709	633	402	**1,181**	+193.8%	1,952	**7,900**	3,000
Depreciation expense	1,362	1,163	1,122	**1,119**	−0.2%	2,363	**2,800**	2,600

<Capital expenditure (Actual/Forecast)>

（ Units: ¥ billion ）

	Sep/2011	Sep/2012	Mar/2012	Mar/2013 (revised forecast)	Mar/2013 (original forecast)
Plant facilities	0.1	**0.4**	1.1	**5.5**	1.3
Equipment for control, sales activities	0.1	**0.5**	0.4	**1.9**	1.1
Equipment for research	0.2	**0.2**	0.4	**0.5**	0.6

Main R&D Activities -1 (Nov 7 , 2012 Release)

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Ph III ~ Application submitted

※Changes from the previous announcement (July 31, 2012)

Stage: Japan	Stage: Overseas	Compound/ Code	Therapy area/Action	Origin	Features	Comments
※Approved (8/2012)		Pentasa (tablet)	Ulcerative colitis	Ferring Pharmaceuticals	New dosage regimen for ulcerative colitis in the remission phase (once a day)	
※Application submitted (8/2012)		Pentasa (suppository)	Ulcerative colitis	Ferring Pharmaceuticals	Consideration of a new dosage form for the active phase of ulcerative colitis (once a day)	・Development of a new dosage form ・PhⅢcompleted(2/2012)
※Application submitted (9/2012)	(US) SkyePharma : Application submitted (3/2009) （Europe） Mundipharma :**Launched(9/2012)**	KRP-108 (Inhalant)	Anti-asthmatic	SkyePharma PLC	An ICS/LABA combination product, which offers better compliance and convenience to the patients	・License agreement with SkyePharma (4/2008) ・Domestic Ph II completed (4/2010) ・PhⅢcompleted(3/2012)
※PhⅢ（9/2012）	（Europe） Almirall : **Launched(9/2012)** (US) Forest Pharmaceuticals : **Approved(7/2012)**	KRP-AB1102（Inhaled drug）	Chronic Obstructive Pulmonary Disease (COPD)	Almirall	- New Chemical Entity: Aclidinium Bromide - Long Acting Muscarinic Agonist (LAMA) - Twice Daily administration -Onset of Action on the first day Genuair® 1) Designed with a feedback system, which through a 'colored control window' and an audible click helps confirm that the patient has inhaled correctly 2) Counter for remaining doses 3) Safety features such as an anti-double-dosing mechanism and an end-of-dose lock-out system to prevent use of an empty inhaler	License agreement with Almirall (2/2011)

Main R&D Activities -2 (Nov 7 , 2012 Release)

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POC Project (Pre-clinical ~ Ph II)

※Changes from the previous announcement (July 31, 2012)

Stage		Compound/ Code	Therapy area/Action	Origin	Features	Comments
Japan	Overseas					
Ph Ⅱ (5/2012)	(Europe & US) Almirall: Ph Ⅲ (US) Forest Laboratories : Ph Ⅲ	KRP-AB1102F (Fixed dose combination inhaled drug)	Chronic Obstructive Pulmonary Disease (COPD)	Almirall	Combination of aclidinium bromide with the long acting beta agonist formoterol : This combination is aimed at providing higher efficacy than each component alone,as well as the improved convenience of having the two products in the same easy to use inhalation device.This is currently in phase Ⅲ clinical development.	
Ph Ⅱ (8/2011)	Ph Ⅲ Merz	KRP-209	Tinnitus	Merz	KRP-209 (Neramexane) is expected to improve the patients' annoyance and difficulties in their life caused by tinnitus, mainly through its two pharmacological properties: 1) NMDA antagonistic activity and 2) Nicotinic acetylcholine antagonistic activity	License agreement with Merz (11/2009) Merz:Ph I clinical trial of Japanese patients in US completed (3/2010)
Ph Ⅰ (12/2010)	Ph Ⅱ (POC) (12/2010) (Novartis)	KRP-203	Transplantation, autoimmune diseases,and IBD	In-house	An immunosuppressant with a novel mechanism called an S1P-agonist. It may have a better safety profile than previous ones as well as an excellent effect under concomitant use with other types of immunomodulator.	License agreement with Novartis (2/2006) New license agreement IBD (11/2010)
Ph Ⅰ (8/2011)		KRP-AM1977X (Oral agent)	New quinolone synthetic antibacterial agent	In-house	①Superior ability to combat drug-resistant gram-positive bacteria (incl. MRSA) ②Outstanding ADME (oral absorption, tissue migration) ③High degree of safety expected since safety hurdles cleared prior to clinical trials	
Ph Ⅰ (7/2012)		KRP-AM1977Y (Injection)	New quinolone synthetic antibacterial agent	In-house		

others

・The company had discontinued development of Anti-diabetes agent「KRP - 104」for strategic reasons , such as priority fields, priority and competitive situation. ※

Reference

Segment information
for the Second Quarter Ended September 30, 2012

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Sales, Profit or Loss of each report segment

(¥ billion)	Sales	Year on Year	Profit	Year on Year
Net Sales (total)	48.0	+1.6	6.3	+1.4
Ethical drugs business	47.0	+1.8	6.3	+1.5
◆Sales of new ethical drugs	39.7	+0.6		
○Japan	38.7	+0.6		
○Overseas	1.0	0.0		
◆Generic drugs	5.1	+1.0		
◆Over-the-counter drugs	2.3	+0.3		
Healthcare(Skincare) business	0.9	−0.3	−0.1	−0.1
Amount of adjustment	—	—	0.1	0.0

(Note) The Company is applying the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information and the Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information. As a result, the reported segments are the Ethical Drugs Business and the Consumer Healthcare Business.

P&L Summary: Consolidated Results – (1)

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(¥ million)	Sep/2011		Sep/2012			
	Actual	% Sales	Actual	% Sales	% Change	Change
Sales	46,387	100.0%	**47,954**	100.0%	+3.4%	+1,567
■Ethical Drugs business	45,155	97.3%	**47,034**	98.1%	+4.2%	+1,879
◆Sales of new Ethical Drugs	39,098	84.3%	**39,684**	82.8%	+1.5%	+586
○Japan	38,129	82.2%	**38,661**	80.6%	+1.4%	+532
○Overseas	968	2.1%	**1,023**	2.2%	+5.6%	+54
◆Generic Drugs	4,097	8.8%	**5,056**	10.5%	+23.4%	+959
◆Over-the-counter Drugs and Others	1,959	4.2%	**2,292**	4.8%	+17.0%	+333
■Consumer Healthcare Business	1,232	2.7%	**920**	1.9%	−25.3%	−311

<Subsidiaries and Equity-method Affiliates>

Consolidated subsidiaries (8) :
- KYORIN Pharmaceutical Co., Ltd.
- Kyorin USA, Inc.
- Kyorin Europe GmbH
- ActivX Biosciences, Inc.
- KYORIN Rimedio Co., Ltd.
- Dr. Program Co., Ltd.
- KYORIN Medical Supply Co., Ltd.
- KYORIN Pharmaceutical Facilities Co.,Ltd.

Equity-Method Affiliates: ・Nippon Rika Co., Ltd.

＜ Breakdown ＞

Year on Year

■ Sales ¥47,954mil (+¥1,567mil)

● Ethical drug sales in Japan

¥38,661mil (+ ¥532mil)

Sep/2011 ⇒Sep/2012

	Sep/2011		Sep/2012	
・Kipres	15.7	⇒	16.3	(+0.6)
・Mucodyne	9.1	⇒	8.3	(−0.8)
・Pentasa	9.1	⇒	9.0	(−0.1)
・Uritos	2.9	⇒	3.6	(+0.7)

● Ethical drug sales overseas

¥1,023mil (+ ¥54mil)

・ Gatifloxacin 0.8bln → 0.9bln (+0.1bin)

● Generic Drugs ¥5,056mil (+ ¥959mil)

・increase of wholesaler route sales(health insurance pharmacy)

・increase of contract manufacturing's sales

● Over-the-counter Drugs and Others

¥2,292mil (+ ¥333mil)

・ Milton and Sales others decreased

●Consumer Healthcare Business

¥920mil (− ¥311mil)

・ Sales decreased at Dr. Program Co., Ltd.

P&L Summary: Consolidated Results – (2)

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(¥ million)	Sep/2011		Sep/2012			
	Actual	% Sales	Actual	% Sales	% Change	Change
Sales	46,387	100.0%	**47,954**	100.0%	＋3.4%	＋1,567
Cost of Sales	16,611	35.8%	**18,093**	37.7%	＋8.9%	＋1,482
Gross Profit	29,776	64.2%	**29,860**	62.3%	＋0.3%	＋84
SG&A (Incl. R&D expenses)	24,875 (6,075)	53.6% 13.1%	**23,591** **(4,892)**	49.2% 10.2%	－5.2% －19.5%	－1,283 －1,183
Operating Income	4,900	10.6%	**6,269**	13.1%	＋27.9%	＋1,368
Non-Operating Income Non-Operating Expenses	403 50	0.9% 0.1%	**401** **61**	0.8% 0.1%	－0.5% ＋21.1%	－1 ＋10
Ordinary Income	5,253	11.3%	**6,609**	13.8%	＋25.8%	＋1,355
Extraordinary Profits Extraordinary Losses	3 16	0.0% 0.0%	**12** **15**	0.0% 0.0%	＋257.9% －5.1%	＋9 0
Income before income taxes	5,240	11.3%	**6,606**	13.8%	＋26,1%	＋1,365
Corporate, inhabitants and enterprise taxes	1,860	4.0%	**2,157**	4.5%	＋16.0%	＋297
Tax adjustments	24	0.1%	**153**	0.3%	＋518.4%	＋128
Net Income	3,355	7.2%	**4,295**	9.0%	＋28.0%	＋939

＜ Breakdown ＞

◆Cost of Sales Ratio： up 1.9 percentage points YoY (35.8 %→37.7%)

＊Reason for increase：
- ・Drug price revisions (in the 6%range for KYORIN Pharmaceutical).
- ・Sales of generic drugs increased.

＊Reason for decrease：
- ・Increased sales of in-house products with lower Cost of Sales

◆R&D Ratio：down 2.9 percentage points YoY (13.1%→10.2%)

＊ ¥6.1bln→¥4.9bln(decrease of approx. ¥1.2 bln)

◆SG&A (exclude R&D) Expenses：up 1.5 percentage Points YoY (40.5%→39.0%)

＊¥18.8bln→¥18.7bln （－¥0.1bln）

■Operating Income ¥6,269mil (＋¥1,368mil)

＊Operating Income margin increased 2.5percentage points to 13.1%

■Net Income ¥4,295mil (＋ ¥939mil)

■Dividend per share(interim dividend) ¥10.0

BS Summary: Consolidated Results

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(Units: ¥ million)	Mar/2012		Sep/2011		
	Actual	%total	Actual	% total	change
Current Assets	99,850	68.5%	**104,083**	**70.6%**	**＋4,232**
Cash, deposits Notes and accounts receivable Mk securities Inventory Other	21,615 45,067 7,372 20,738 5,056	－	**30,502** **36,148** **9,571** **21,934** **5,926**	－	－
Fixed Assets	45,822	31.5%	**43,341**	**29.4%**	**－2,480**
Tangible assets Intangible assets Investments	14,544 846 30,431	－	**14,632** **747** **27,961**	－	－
Total Assets	145,673	100.0%	**147,425**	**100.0%**	**＋1,752**
Current Liabilities	23,385	16.1%	**23,854**	**16.2%**	**＋469**
Notes payable Other	9,043 14,341	－	**10,721** **13,133**	－	－
Non-Current Liabilities	4,086	2.8%	**3,369**	**2.3%**	**－717**
Total Liabilities	27,471	18.9%	**27,224**	**18.5%**	**－247**
Owner's Equity	117,931	81.0%	**119,608**	**81.1%**	**＋1,677**
Other Comprehensive Income	269	0.2%	**592**	**0.4%**	**＋322**
Unrealized holding gain (loss) on securities Foreign currency translation adjustments	537 －267	－	**847** **－254**	－	－
Total Equity	118,201	81.1%	**120,200**	**81.5%**	**＋1,999**
Total Liabilities and Equity	145,673	100.0%	**147,425**	**100.0%**	**＋1,752**

＜ Breakdown ＞

■Current Asset：＋¥4,233mil
- Cash, deposits（＋¥8,886mil）
- Notes and accounts receivable （－¥8,919mil）
- Mk securities（＋¥2,199mil）
- Inventory（＋¥1,195mil）
- Other（＋¥870mil）

■Fixed Assets：－¥2,480mil
- Tangible Assets（＋¥88mil）
- Intangible Assets（－¥98mil）
- Investments（－¥2,470mil）

■Current Liabilities：＋¥469mil
- Notes Payable（＋¥1,678mil）
- Other（－¥1,208mil）

■Non-Current Liabilities ：－¥717mil

Financial summary (Consolidated)

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(¥ million)	Sep/2010	Sep/2011	**Sep/2012**	Mar/2012	**Mar/2013** **(revised forecast)**	Mar/2012 (original forecast)
Sales (Exports)	46,707 (1,500)	46,387 (968)	**47,954** **(1,023)**	103,232 (2,059)	107,800 (2,500)	104,700 (1,900)
Cost of Sales (cost of Sales Ratio)(%)	17,083 (36.6%)	16,611 (35.8%)	**18,093** **(37.7%)**	36,926 (35.8%)	—	—
SG&A Ratio to Sales (%)	25,422 (54.4%)	24,875 (53.6%)	**23,591** **(49.2%)**	51,842 (50.2%)	—	—
R&D Expenses Ratio to Sales (%)	6,879 (14.7%)	6,075 (13.1%)	**4,892** **(10.2%)**	13,964 (13.5%)	11,500 (10.7%)	11,100 (10.6%)
Operating Income Ratio to Sales (%)	4,201 (9.0%)	4,900 (10.6%)	**6,269** **(13.1%)**	14,464 (14.0%)	17,400 (16.1%)	17,900 (17.1%)
Ordinary Income Ratio to Sales (%)	4,542 (9.7%)	5,253 (11.3%)	**6,609** **(13.8%)**	15,275 (14.8%)	18,000 (16.7%)	18,500 (17.7%)
Net Income Ratio to Sales (%)	2,959 (6.3%)	3,355 (7.2%)	**4,295** **(9.0%)**	9,231 (8.9%)	11,800 (10.9%)	11,800 (11.3%)
EPS (¥)	¥39.59	¥44.90	**¥57.49**	¥123.54	¥157.93	¥157.92
Capital	700	700	**700**	700		
Assets	128,541	138,440	**147,425**	145,673		
Total Equity	104,662	112,717	**120,200**	118,201		
BPS (¥)	¥1,400.35	¥1,508.46	**¥1608.74**	¥1,581.94		
ROE (%)	2.8%	3.0%	**3.6%**	8.0%		
Equity Ratio (%)	81.4%	81.4%	**81.5%**	81.1%		
Employees	2,308	2,332	**2,346**	2,297		
Capital Expenditure	633	402	**1,181**	1,952	7,900	3,000
Depreciation Expense	1,163	1,122	**1,119**	2,363	2,800	2,600

P&L summary : KYORIN pharmaceutical (Non-consolidated)-(1)

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(¥ million)	Sep/2011		Sep/2012			
	Actual	% Sales	Actual	% Sales	% Change	Change
Sales	41,831	100.0%	**42,951**	100.0%	+2.7%	＋1,120
■Ethical Drugs business	41,831	100.0%	**42,951**	100.0%	+2.7%	＋1,120
◆Sales of new Ethical Drugs	39,057	93.4%	**39,636**	92.3%	+1.5%	＋579
○Japan	38,129	91.2%	**38,661**	90.0%	+1.4%	＋532
○Overseas	927	2.2%	**974**	2.3%	+5.1%	＋46
◆Generic Drugs	1,487	3.6%	**1,963**	4.6%	+32.0%	＋475
◆Over-the-counter Drugs and Others	1,285	3.1%	**1,351**	3.1%	+5.1%	＋65

＜ Breakdown ＞

Year on Year

■ Sales ¥4,2951mil （＋¥1,120mil）

● Ethical drug sales in Japan

¥38,661mil （＋ ¥532mil）

Sep/2011 ⇒Sep/2012

	Sep/2011		Sep/2012	
・Kipres	15.7	⇒	16.3	(＋0.6)
・Mucodyne	9.1	⇒	8.3	(－0.8)
・Pentasa	9.1	⇒	9.0	(－0.1)
・Uritos	2.9	⇒	3.6	(＋0.7)

● Ethical drug sales overseas

¥974mil （＋ ¥46mil）

・ Gatifloxacin 0.8bln → 0.9bln （＋0.1bln）

● Generic Drugs ¥1,963mil （＋ ¥475mil）

・ Mainly the effect from consolidating distribution at KYORIN Rimedio

● Over-the-counter Drugs and Others

¥1,351mil （＋ ¥65mil）

・milton 0.9bln → 1.0bln （＋0.1bln）

P&L summary : KYORIN pharmaceutical (Non-consolidated)-(2)

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(¥ million)	Sep/2011		Sep/2012			
	Actual	% Sales	Actual	% Sales	% Change	Change
Sales	41,831	100.0%	**42,951**	100.0%	+2.7%	+1,120
Cost of Sales	14,383	34.4%	**15,360**	35.8%	+6.8%	+977
Gross Profit	27,447	65.6%	**27,591**	64.2%	+0.5%	+143
SG&A (R&D Expenses)	22,735 (5,762)	54.4% 13.8%	**21,680** **(4,681)**	50.5% 10.9%	−4.6% −18.8%	−1,055 −1,081
Operating Income	4,712	11.3%	**5,910**	13.8%	+25.4%	+1,198
Non-Operating Income Non-operating Expenses	599 29	1.4% 0.1%	**588** **28**	1.4% 0.1%	−1.8% −1.0%	−10 0
Ordinary Income	5,282	12.6%	**6,470**	15.1%	+22.5%	+1,188
Extraordinary Profits Extraordinary Losses	3 7	0.0% 0.0%	**10** **8**	0.0% 0.0%	+194.5% +4.3%	+6 0
Income before Income taxes	5,278	12.6%	**6,473**	15.1%	+22.6%	+1,194
Corporate, inhabitants and enterprise taxes	1,830	4.4%	**2,109**	4.9%	+15.3%	+279
Tax adjustments	33	0.1%	**122**	0.3%	+265.6%	+89
Net Income	3,414	8.2%	**4,240**	9.9%	+24.2%	+826

＜ Breakdown ＞

◆ Cost of Sales Ratio : up 1.4 percentage points YoY (34.4%→35.8%)

＊Reason for increase :
・Drug price revisions (in the 6%range for KYORIN Pharmaceutical).
・Sales of generic drugs increased.

＊Reason for decrease :
・Increased sales of in-house products with lower Cost of Sales

◆R&D Ratio : down 2.9ercentage Points YoY (13.8%→10.9%)

＊¥5.8bln→¥4.7bln(decrease of approx. ¥1.1 bln)

◆SG&A (exclude R&D) Expenses : down 1.0 percentage Points YoY (40.6%→39.6%)

＊¥17.0bln→¥17.0bln

■ Operating Income ¥5,910mil （+¥1,198mil）

＊Operating Income margin increased 2.5percentage points to 13.8%

■Net Income ¥4,240mil（+ ¥826mil）

BS Summary: KYORIN Pharmaceutical (Non-consolidated)

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(¥ million)	Mar/2012		Sep/2012		
	Actual	% total	Actual	% total	change
Current Assets	80,542	66.0%	**86,086**	69.0%	＋5,544
Cash, deposits Accounts receivable Mk securities Inventory Other	9,444 42,046 7,309 17,877 3,863	—	**19,134** **33,363** **9,508** **19,115** **4,964**	—	—
Fixed Assets	41,443	34.0%	**38,702**	31.0%	－2,740
Tangible assets Intangible assets Investments	11,497 388 29,558	—	**11,458** **310** **26,933**	—	—
Total Assets	121,985	100.0%	**124,789**	100.0%	＋2,803

Current Liabilities	16,526	13.5%	**17,861**	14.3%	＋1,335
Notes Payable Other	6,609 9,916	—	**7,583** **10,278**	—	—
Non-Current Liabilities	3,281	2.7%	**2,799**	2.3%	－482
Total Liabilities	19,807	16.2%	**20,661**	16.6%	＋853
Owner's Equity	101,652	83.3%	**103,293**	82.8%	＋1,641
Valuation and translation adjustments	525	0.4%	**834**	0.7%	＋309
Total Equity	102,177	83.8%	**104,128**	83.4%	＋1,950
Total Liabilities and Equity	121,985	100.0%	**124,789**	100.0%	＋2,803

＜ Breakdown ＞

■ Current Assets：＋5,544mil
- Cash, deposits（＋¥9,689mil）
- Accounts receivable（－¥8,683mil）
- Mk securities（＋¥2,199mil）
- Inventory （＋¥1,237mil）

■ Fixed Assets ：＋ ¥2,740mil
- Tangible Assets （－¥38mil）
- Intangible Assets （－¥77mil）
- Investments（－¥2,624mil）

■ Current Liabilities：＋ ¥1,335mil
- Notes Payable （＋¥973mil）
- Other（＋¥362mil）

■ Non-Current Liabilities：－¥482mil

Financial Summary: KYORIN Pharmaceutical (Non-consolidated)

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(¥ million)	Sep/2010	Sep/2011	Sep/2012	Mar/2012	**Mar/2013 (revised forecast)**	Mar/2013 (original forecast)
Sales (Exports)	40,759 (1,460)	41,831 (927)	**42,951** **(974)**	93,697 (1,904)	96,400 (2,300)	94,600 (1,800)
Cost of Sales （cost of sales ratio ）%	13,521 (33.2%)	14,383 (34.4%)	**15,360** **(35.8%)**	32,046 (34.2%)	—	—
SG&A Ratio to Sales (%)	23,359 (57.3%)	22,735 (54.4%)	**21,680** **(50.5%)**	47,679 (50.9%)	—	—
R&D Expenses Ratio to Sales (%)	6,496 (15.9%)	5,762 (13.8%)	**4,681** **(10.9%)**	13,472 (14.4%)	11,000 (11.4%)	10,300 (10.9%)
Operating Income Ratio to Sales (%)	3,878 (9.5%)	4,712 (11.3%)	**5,910** **(13.8%)**	13,971 (14.9%)	17,100 (17.7%)	17,400 (18.4%)
Ordinary Income Ratio to Sales (%)	4,443 (10.9%)	5,282 (12.6%)	**6,470** **(15.1%)**	15,126 (16.1%)	18,100 (18.8%)	18,500 (19.6%)
Net Income Ratio to Sales (%)	2,908 (7.1%)	3,414 (8.2%)	**4,240** **(9.9%)**	9,274 (9.9%)	11,800 (12.2%)	12,000 (12.7%)
EPS (¥)	¥39.17	¥45.97	**¥57.10**	¥124.88		
Capital	4,317	4,317	**4,317**	4,317		
Assets	109,313	115,008	**124,789**	121,985		
Total Equity	93,044	96,674	**104,128**	102,177		
BPS (¥)	¥1,252.82	¥1,301.70	**¥1,402.06**	¥1,375.79		
ROE (%)	3.1%	3.6%	**4.1%**	9.4%		
Equity Ratio (%)	85.1%	84.1%	**83.4%**	83.8%		
Employees	1,811	1,826	**1,832**	1,798		
Capital Expenditure	300	313	**716**	1,425	2,200	2,200
Depreciation Expense	932	841	**828**	1,790	1,800	1,900