

# Q3 FY 02/14

## results supplementary material

These materials contain our earnings outlook. While our earnings outlook and views are based on internal and other reliable data, they do not constitute a guarantee of our future earnings. Therefore, sales and profits may differ from the figures outlined in this material.

The figures in these materials are rounded to the nearest million yen.

Jan. 9th, 2014

Hisamitsu Pharmaceutical Co., Inc.  
(Security code number: 4530)

| <Balance sheet><br>(Unit: ¥mn)                         | 2010.2<br>Q4   | 2011.2<br>Q4   | 2011.5<br>Q1   | 2011.8<br>Q2   | 2011.11<br>Q3  | 2012.2<br>Q4   | 2012.5<br>Q1   | 2012.8<br>Q2   | 2012.11<br>Q3  | 2013.2<br>Q4   | 2013.5<br>Q1   | 2013.8<br>Q2   | 2013.11<br>Q3  | As a %<br>of total |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| <b>Current assets</b>                                  | <b>86,100</b>  | <b>92,896</b>  | <b>85,967</b>  | <b>88,915</b>  | <b>90,979</b>  | <b>87,455</b>  | <b>94,196</b>  | <b>101,055</b> | <b>102,248</b> | <b>107,719</b> | <b>117,319</b> | <b>136,389</b> | <b>137,134</b> | <b>134.1%</b>      |
| Cash & deposits  | 26,935         | 33,186         | 25,158         | 22,293         | 23,545         | 27,789         | 31,490         | 31,767         | 31,287         | 41,157         | 45,338         | 53,481         | 54,033         |                    |
| Notes and accounts receivable                          | 42,324         | 36,860         | 37,098         | 38,419         | 38,665         | 33,635         | 36,059         | 39,498         | 39,307         | 36,986         | 39,137         | 46,737         | 45,643         |                    |
| Marketable securities                                  | -              | 5,380          | 3,626          | 6,475          | 4,730          | 7,083          | 6,367          | 9,054          | 9,015          | 12,338         | 12,948         | 15,054         | 14,397         |                    |
| Inventory  | 12,271         | 11,303         | 12,506         | 12,443         | 13,324         | 12,551         | 13,933         | 12,698         | 13,399         | 13,329         | 14,237         | 13,995         | 14,201         |                    |
| Deferred tax assets                                    | 2,258          | 3,620          | 3,869          | 3,668          | 3,516          | 2,896          | 3,045          | 2,898          | 2,865          | 2,281          | 2,322          | 2,410          | 2,471          |                    |
| Other current assets                                   | 2,577          | 2,786          | 3,926          | 5,846          | 7,445          | 3,702          | 3,510          | 5,361          | 6,597          | 1,838          | 3,556          | 4,987          | 6,671          |                    |
| Bad debt provision                                     | -267           | -241           | -218           | -230           | -247           | -202           | -211           | -223           | -222           | -211           | -225           | -283           | -285           |                    |
| <b>Fixed assets</b>                                    | <b>107,450</b> | <b>101,890</b> | <b>105,908</b> | <b>105,432</b> | <b>103,007</b> | <b>105,382</b> | <b>103,606</b> | <b>102,572</b> | <b>101,591</b> | <b>106,421</b> | <b>108,749</b> | <b>108,632</b> | <b>110,784</b> | <b>109.0%</b>      |
| Tangible fixed assets                                  | 46,218         | 44,260         | 44,365         | 43,993         | 43,147         | 43,357         | 43,381         | 42,845         | 42,782         | 43,219         | 43,257         | 43,334         | 42,985         |                    |
| Buildings and structures                               | 20,082         | 18,825         | 19,128         | 18,715         | 18,627         | 19,385         | 19,234         | 18,677         | 18,198         | 17,643         | 18,139         | 17,862         | 17,886         |                    |
| Machinery and transport equipment                      | 9,692          | 7,452          | 7,327          | 7,394          | 7,016          | 6,972          | 7,705          | 7,120          | 6,967          | 6,094          | 6,463          | 6,124          | 6,595          |                    |
| Tools, instruments, etc.                               | 2,347          | 2,223          | 2,590          | 2,539          | 2,386          | 2,470          | 2,372          | 2,237          | 2,139          | 2,354          | 2,378          | 2,360          | 2,388          |                    |
| Land   | 12,438         | 12,422         | 12,444         | 12,421         | 12,353         | 12,364         | 12,422         | 12,373         | 12,355         | 12,462         | 12,557         | 12,601         | 12,591         |                    |
| Construction in progress                               | 1,479          | 2,882          | 2,420          | 2,496          | 2,352          | 1,772          | 1,275          | 2,088          | 2,774          | 4,518          | 3,587          | 4,268          | 3,404          |                    |
| Lease assets   | 177            | 454            | 452            | 427            | 411            | 390            | 370            | 347            | 349            | 145            | 133            | 119            | 118            |                    |
| Intangible fixed assets                                | 15,756         | 12,943         | 18,017         | 18,059         | 16,982         | 16,548         | 16,352         | 15,399         | 14,558         | 17,163         | 17,612         | 17,421         | 16,638         |                    |
| Investments, etc.                                      | 45,475         | 44,686         | 43,526         | 43,380         | 42,877         | 45,477         | 43,872         | 44,327         | 44,250         | 46,038         | 47,879         | 47,876         | 51,160         |                    |
| Investment securities                                  | 31,979         | 31,799         | 29,564         | 29,611         | 29,208         | 34,549         | 33,339         | 34,319         | 34,598         | 36,685         | 38,861         | 39,325         | 42,369         |                    |
| Long-term loans  | 210            | 128            | 126            | 121            | 118            | 123            | 120            | 115            | 110            | 81             | 80             | 69             | 69             |                    |
| Deferred tax assets                                    | 3,829          | 3,833          | 4,056          | 3,979          | 4,053          | 1,402          | 1,674          | 1,301          | 1,135          | 460            | 81             | 224            | 544            |                    |
| Other  | 9,596          | 9,056          | 9,909          | 9,892          | 9,724          | 9,630          | 8,967          | 8,819          | 8,635          | 9,028          | 9,076          | 8,471          | 8,396          |                    |
| Bad debt provision                                     | -140           | -131           | -131           | -226           | -226           | -228           | -228           | -228           | -228           | -218           | -218           | -218           | -218           |                    |
| <b>Total assets</b>                                    | <b>193,551</b> | <b>194,787</b> | <b>191,876</b> | <b>194,347</b> | <b>193,987</b> | <b>192,838</b> | <b>197,802</b> | <b>203,628</b> | <b>203,839</b> | <b>214,141</b> | <b>226,068</b> | <b>245,021</b> | <b>247,918</b> | <b>121.6%</b>      |
| <b>Current liabilities</b>                             | <b>42,825</b>  | <b>39,275</b>  | <b>39,060</b>  | <b>41,156</b>  | <b>38,746</b>  | <b>31,134</b>  | <b>34,351</b>  | <b>35,574</b>  | <b>33,993</b>  | <b>34,385</b>  | <b>35,793</b>  | <b>46,616</b>  | <b>44,395</b>  | <b>130.6%</b>      |
| Notes and accounts payable                             | 14,669         | 11,279         | 12,774         | 14,342         | 13,313         | 11,932         | 14,258         | 13,464         | 12,338         | 12,991         | 10,198         | 10,196         | 8,372          |                    |
| Electronically recorded obligations-operating          | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | 3,827          | 8,770          | 8,258          |                    |
| Short-term borrowing                                   | 10,484         | 6,055          | 9,618          | 6,774          | 6,992          | 4,445          | 4,287          | 1,730          | 1,729          | 1,674          | 1,690          | 1,718          | 1,698          |                    |
| Accrued expenses                                       | 5,317          | 7,192          | 4,961          | 5,686          | 5,557          | 6,177          | 5,729          | 5,923          | 5,053          | 7,035          | 5,300          | 6,715          | 5,437          |                    |
| Unpaid tax, etc.                                       | 4,694          | 10,239         | 2,486          | 5,139          | 2,106          | 3,839          | 2,166          | 5,952          | 4,056          | 6,576          | 4,613          | 8,039          | 5,606          |                    |
| Reserve for returned goods unsold                      | 237            | 176            | 204            | 228            | 235            | 198            | 269            | 276            | 265            | 229            | 198            | 226            | 226            |                    |
| Bonus reserves   | 880            | 1,499          | 502            | 1,493          | 836            | 1,550          | 527            | 1,312          | 879            | 1,714          | 637            | 1,510          | 1,023          |                    |
| Other current liabilities                              | 6,541          | 2,833          | 8,512          | 7,492          | 9,704          | 2,989          | 7,113          | 6,913          | 9,673          | 4,162          | 9,320          | 9,432          | 13,771         |                    |
| <b>Fixed liabilities</b>                               | <b>19,749</b>  | <b>14,288</b>  | <b>15,410</b>  | <b>12,419</b>  | <b>12,409</b>  | <b>12,441</b>  | <b>12,428</b>  | <b>12,277</b>  | <b>11,778</b>  | <b>11,822</b>  | <b>11,978</b>  | <b>11,964</b>  | <b>12,935</b>  | <b>109.8%</b>      |
| Long-term borrowing                                    | 8,142          | 3,089          | 3,961          | 1,348          | 1,282          | 1,224          | 1,169          | 1,107          | 1,048          | 989            | 950            | 928            | 890            |                    |
| Deferred tax liabilities                               | 3,027          | 4,133          | 4,097          | 3,686          | 3,685          | 3,389          | 3,137          | 3,096          | 2,565          | 2,286          | 2,955          | 2,623          | 3,617          |                    |
| Pension provisions                                     | 4,707          | 4,910          | 4,920          | 4,932          | 4,972          | 4,927          | 5,003          | 5,056          | 5,080          | 5,119          | 5,136          | 5,162          | 5,203          |                    |
| Reserve for directors' retirement benefits             | 1,174          | 1,200          | 1,155          | 1,180          | 1,205          | 1,230          | 1,235          | 1,260          | 1,281          | 1,302          | 1,136          | 1,157          | 1,178          |                    |
| Other fixed liabilities                                | 2,697          | 954            | 1,275          | 1,272          | 1,262          | 1,669          | 1,881          | 1,755          | 1,800          | 2,124          | 1,801          | 2,090          | 2,045          |                    |
| <b>Total liabilities</b>                               | <b>62,574</b>  | <b>53,564</b>  | <b>54,470</b>  | <b>53,576</b>  | <b>51,156</b>  | <b>43,575</b>  | <b>46,779</b>  | <b>47,852</b>  | <b>45,772</b>  | <b>46,207</b>  | <b>47,771</b>  | <b>58,581</b>  | <b>57,331</b>  | <b>125.3%</b>      |
| <b>Owners' Equity</b>                                  | <b>130,647</b> | <b>145,616</b> | <b>142,023</b> | <b>146,352</b> | <b>150,933</b> | <b>154,702</b> | <b>155,317</b> | <b>161,036</b> | <b>163,724</b> | <b>167,511</b> | <b>172,025</b> | <b>178,191</b> | <b>180,698</b> | <b>110.4%</b>      |
| Common stock   | 8,473          | 8,473          | 8,473          | 8,473          | 8,473          | 8,473          | 8,473          | 8,473          | 8,473          | 8,473          | 8,473          | 8,473          | 8,473          |                    |
| Capital surplus  | 8,396          | 8,396          | 8,396          | 8,396          | 8,396          | 8,396          | 8,396          | 8,396          | 8,396          | 8,396          | 8,396          | 8,396          | 8,396          |                    |
| Retained earnings                                      | 132,298        | 147,272        | 146,996        | 151,326        | 155,907        | 159,677        | 160,291        | 166,012        | 168,700        | 172,488        | 177,003        | 183,170        | 185,678        |                    |
| Treasury stock   | -18,521        | -18,525        | -21,842        | -21,843        | -21,843        | -21,844        | -21,844        | -21,845        | -21,845        | -21,846        | -21,848        | -21,849        | -21,850        |                    |
| <b>Net unrealized gain and translation adjustments</b> | <b>-560</b>    | <b>-5,324</b>  | <b>-5,672</b>  | <b>-6,642</b>  | <b>-9,141</b>  | <b>-6,476</b>  | <b>-5,341</b>  | <b>-6,311</b>  | <b>-6,696</b>  | <b>-325</b>    | <b>5,472</b>   | <b>7,379</b>   | <b>9,053</b>   | <b>-</b>           |
| Other marketable securities revaluation account        | -780           | -564           | -1,618         | -1,532         | -1,887         | 47             | -996           | -387           | -2             | 2,175          | 4,323          | 4,259          | 6,472          |                    |
| Land revaluation account                               | 3,188          | 3,189          | 3,189          | 3,189          | 3,189          | 3,459          | 3,459          | 3,459          | 3,459          | 3,459          | 3,459          | 3,459          | 3,459          |                    |
| Forex adjustment account                               | -2,968         | -7,949         | -7,244         | -8,299         | -10,443        | -9,983         | -7,805         | -9,383         | -10,153        | -5,961         | -2,310         | -340           | -878           |                    |
| Minority interest                                      | 889            | 930            | 1,054          | 1,061          | 1,039          | 1,036          | 1,047          | 1,050          | 1,039          | 747            | 798            | 870            | 836            | <b>80.5%</b>       |
| <b>Total Net assets</b>                                | <b>130,976</b> | <b>141,222</b> | <b>137,405</b> | <b>140,771</b> | <b>142,831</b> | <b>149,263</b> | <b>151,023</b> | <b>155,775</b> | <b>158,067</b> | <b>167,933</b> | <b>178,296</b> | <b>186,440</b> | <b>190,587</b> | <b>120.6%</b>      |
| <b>Liabilities and Net assets</b>                      | <b>193,551</b> | <b>194,787</b> | <b>191,876</b> | <b>194,347</b> | <b>193,987</b> | <b>192,838</b> | <b>197,802</b> | <b>203,628</b> | <b>203,839</b> | <b>214,141</b> | <b>226,068</b> | <b>245,021</b> | <b>247,918</b> | <b>121.6%</b>      |

Consolidated Financial Statement

Jan. 9th, 2014

| <Profit and Loss statement><br>(Unit: ¥mn)      | 2010.2<br>Q4 | 2011.2<br>Q4 | 2011.5<br>Q1 | 2011.8<br>Q2 | 2011.11<br>Q3 | 2012.2<br>Q4 | 2012.5<br>Q1 | 2012.8<br>Q2 | 2012.11<br>Q3 | 2013.2<br>Q4 | 2013.5<br>Q1 | 2013.8<br>Q2 | 2013.11<br>Q3 | Cons-<br>parent ratio | YoY    |
|---|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|-----------------------|--------|
| Sales   | 129,834      | 137,184      | 33,039       | 69,169       | 103,773       | 137,794      | 34,670       | 71,932       | 107,357       | 142,772      | 37,065       | 77,382       | 115,129       | 1.21                  | 107.2% |
| CoGS  | 42,659       | 47,697       | 10,938       | 23,047       | 34,588        | 46,785       | 12,532       | 26,013       | 38,358        | 51,659       | 13,841       | 28,018       | 41,112        |                       | 107.2% |
| (as a % of sales)                               | 32.9%        | 34.8%        | 33.1%        | 33.3%        | 33.3%         | 34.0%        | 36.1%        | 36.2%        | 35.7%         | 36.2%        | 37.3%        | 36.2%        | 35.7%         |                       |        |
| Gross profits                                   | 87,174       | 89,486       | 22,101       | 46,112       | 69,184        | 91,008       | 22,138       | 45,918       | 68,999        | 91,112       | 23,224       | 49,363       | 74,016        | 1.15                  | 107.3% |
| (as a % of sales)                               | 67.1%        | 65.2%        | 66.9%        | 66.7%        | 66.7%         | 66.0%        | 63.9%        | 63.8%        | 64.3%         | 63.8%        | 62.7%        | 63.8%        | 64.3%         |                       |        |
| SG&A expenses                                   | 58,589       | 61,292       | 15,301       | 32,897       | 48,356        | 65,070       | 16,825       | 32,669       | 48,226        | 65,786       | 18,152       | 36,900       | 55,529        |                       | 115.1% |
| (as a % of sales)                               | 45.1%        | 44.7%        | 46.3%        | 47.6%        | 46.6%         | 47.2%        | 48.5%        | 45.4%        | 44.9%         | 46.1%        | 49.0%        | 47.7%        | 48.2%         |                       |        |
| Advertising costs                               | 9,039        | 8,581        | 2,105        | 5,035        | 7,277         | 9,565        | 3,093        | 5,498        | 7,522         | 10,086       | 3,428        | 6,638        | 9,482         |                       | 126.1% |
| Sales promotion costs                           | 12,431       | 11,702       | 2,826        | 6,396        | 9,131         | 12,601       | 2,953        | 6,065        | 9,140         | 12,549       | 3,463        | 7,098        | 10,776        |                       | 117.9% |
| R&D spending                                    | 10,447       | 13,809       | 3,535        | 7,487        | 10,800        | 14,758       | 3,423        | 6,278        | 9,537         | 12,662       | 3,106        | 6,570        | 10,327        |                       | 108.3% |
| Other SG&A expenses                             | 26,672       | 27,200       | 6,836        | 13,979       | 21,148        | 28,146       | 7,356        | 14,826       | 22,027        | 30,489       | 8,155        | 16,594       | 24,943        |                       | 113.2% |
| Operating profits                               | 28,585       | 28,193       | 6,800        | 13,214       | 20,827        | 25,937       | 5,313        | 13,248       | 20,773        | 25,326       | 5,071        | 12,462       | 18,487        | 0.78                  | 89.0%  |
| (as a % of sales)                               | 22.0%        | 20.6%        | 20.6%        | 19.1%        | 20.1%         | 18.8%        | 15.3%        | 18.4%        | 19.3%         | 17.7%        | 13.7%        | 16.1%        | 16.1%         |                       |        |
| Nonoperating income                             | 2,918        | 5,448        | 1,074        | 2,959        | 4,860         | 7,875        | 1,374        | 3,371        | 5,360         | 7,800        | 1,667        | 4,439        | 7,095         |                       | 132.4% |
| Interest received                               | 96           | 59           | 14           | 32           | 49            | 71           | 16           | 33           | 49            | 67           | 14           | 36           | 54            |                       |        |
| Dividends received                              | 291          | 356          | 27           | 212          | 339           | 392          | 27           | 232          | 383           | 433          | 28           | 264          | 386           |                       |        |
| Equity-method investment profits                | 1,901        | 4,539        | 915          | 2,427        | 4,085         | 6,881        | 1,209        | 2,869        | 4,588         | 6,540        | 1,269        | 3,693        | 6,056         |                       |        |
| Amortisation of consolidated adjustment account | -            | -            | -            | -            | -             | -            | -            | -            | -             | 253          | 232          | 134          | 212           |                       |        |
| Other   | 627          | 494          | 117          | 285          | 385           | 529          | 120          | 235          | 341           | 504          | 122          | 310          | 384           |                       |        |
| Nonoperating expenses                           | 272          | 406          | 42           | 265          | 315           | 319          | 67           | 138          | 76            | 74           | 19           | 46           | 68            |                       | 89.5%  |
| Interest paid                                   | 108          | 125          | 24           | 52           | 72            | 92           | 14           | 27           | 35            | 38           | 11           | 17           | 26            |                       |        |
| Other   | 163          | 280          | 17           | 212          | 242           | 227          | 52           | 111          | 40            | 36           | 7            | 28           | 41            |                       |        |
| Extraordinary balance                           |              |              |              |              |               |              |              |              |               |              |              |              |               |                       |        |
| Recurring profits                               | 31,231       | 33,236       | 7,833        | 15,908       | 25,372        | 33,494       | 6,621        | 16,481       | 26,056        | 33,051       | 6,720        | 16,856       | 25,513        | 1.03                  | 97.9%  |
| (as a % of sales)                               | 24.1%        | 24.2%        | 23.7%        | 23.0%        | 24.4%         | 24.3%        | 19.1%        | 22.9%        | 24.3%         | 23.2%        | 18.1%        | 21.8%        | 22.2%         |                       |        |
| Extraordinary profits                           | 1,357        | 3,099        | 4,615        | 4,615        | 7,999         | 8,260        | -            | 1            | 1             | 501          | 5,084        | 5,087        | 5,088         |                       |        |
| Public subsidies                                | 310          | 19           | 4,611        | 4,611        | 4,611         | 4,611        | -            | -            | -             | -            | -            | -            | -             |                       |        |
| Reversal of allowance for doubtful receivables  | 24           | 34           | 3            | 3            | 3             | 20           | -            | -            | -             | -            | -            | -            | -             |                       |        |
| Other   | 1,022        | 3,046        | -            | -            | 3,384         | 3,628        | -            | 1            | 1             | 501          | 5,084        | 5,087        | 5,088         |                       |        |
| Extraordinary losses                            | 740          | 231          | 7,259        | 7,919        | 8,223         | 9,375        | 389          | 456          | 469           | 1,561        | 2            | 95           | 47            |                       | 10.0%  |
| Losses on fixed asset disposal                  | 73           | 83           | 7            | 107          | 110           | 189          | 2            | 78           | 151           | 208          | 2            | 33           | 47            |                       |        |
| Losses on fixed asset reduction                 | 294          | 9            | 4,611        | 4,611        | 4,611         | 4,611        | -            | -            | -             | -            | -            | -            | -             |                       |        |
| Impairment loss                                 | 191          | -            | -            | -            | -             | -            | -            | -            | -             | 1,353        | -            | -            | -             |                       |        |
| Valuation losses on investment securities       | 181          | 138          | -            | 487          | 758           | 1,940        | 387          | 378          | 318           | -            | -            | 61           | -             |                       |        |
| Valuation losses on memberships                 | -            | -            | -            | -            | -             | -            | -            | -            | -             | -            | -            | -            | -             |                       |        |
| Loss due to disaster                            | -            | -            | 2,639        | 2,712        | 2,742         | 2,584        | -            | -            | -             | -            | -            | -            | -             |                       |        |
| Other   | -            | -            | -            | -            | -             | 49           | -            | -            | -             | -            | -            | -            | -             |                       |        |
| Net profit before tax, etc.                     | 31,848       | 36,104       | 5,189        | 12,604       | 25,149        | 32,379       | 6,232        | 16,025       | 25,589        | 31,991       | 11,801       | 21,849       | 30,554        | 1.03                  | 119.4% |
| Tax, etc.                                       | 13,423       | 15,148       | 2,430        | 5,516        | 10,480        | 13,940       | 2,619        | 6,691        | 10,567        | 13,182       | 4,287        | 8,166        | 11,365        |                       |        |
| Net profits                                     | 18,423       | 20,956       | 2,758        | 7,087        | 14,669        | 18,439       | 3,613        | 9,334        | 15,021        | 18,809       | 7,514        | 13,681       | 19,188        | 1.01                  | 127.7% |
| (as a % of sales)                               | 14.2%        | 15.3%        | 8.3%         | 10.2%        | 14.1%         | 13.4%        | 10.4%        | 13.0%        | 14.0%         | 13.2%        | 20.3%        | 17.7%        | 16.7%         |                       |        |
| Capex   | 6,467        | 4,595        |              | 3,168        |               | 5,744        |              | 1,940        |               | 5,882        |              | 1,610        |               |                       |        |
| (as a % of sales)                               | 5.0%         | 3.3%         |              | 4.6%         |               | 4.2%         |              | 2.7%         |               | 4.1%         |              | 2.1%         |               |                       |        |
| Depreciation                                    | 5,245        | 6,374        |              | 2,569        |               | 5,882        |              | 2,901        |               | 5,814        |              | 2,665        |               |                       |        |
| (as a % of sales)                               | 4.0%         | 4.6%         |              | 3.7%         |               | 4.3%         |              | 4.0%         |               | 4.1%         |              | 3.4%         |               |                       |        |
| Goodwill amortization                           | 2,379        | 779          |              | 453          |               | 1,332        |              | 888          |               | 1,780        |              | 959          |               |                       |        |
| Number of employees                             | 2,600        | 2,635        |              | 2,751        |               | 2,718        |              | 2,826        |               | 2,826        |              | 2,911        |               |                       |        |

Non-consolidated Financial Statement

Jan. 9th, 2014

| <Balance sheet><br>(Unit: ¥mn)                         | 2010.2<br>Q4 | 2011.2<br>Q4 | 2011.5<br>Q1 | 2011.8<br>Q2 | 2011.11<br>Q3 | 2012.2<br>Q4 | 2012.5<br>Q1 | 2012.8<br>Q2 | 2012.11<br>Q3 | 2013.2<br>Q4 | 2013.5<br>Q1 | 2013.8<br>Q2 | 2013.11<br>Q3 | As a %<br>of total |
|--|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|--------------------|
| <b>Current assets</b>                                  | 69,339       | 74,394       | 64,272       | 67,263       | 70,487        | 66,865       | 70,650       | 76,294       | 79,278        | 81,419       | 87,008       | 102,227      | 103,603       | 130.7%             |
| Cash & deposits  | 17,466       | 24,847       | 14,772       | 14,101       | 15,703        | 20,031       | 21,734       | 24,227       | 25,105        | 34,190       | 36,652       | 42,740       | 44,003        |                    |
| Notes receivable                                       | 422          | 365          | 191          | 273          | 275           | 621          | 287          | 424          | 235           | 436          | 256          | 346          | 226           |                    |
| Accounts receivable                                    | 39,486       | 34,101       | 34,272       | 36,305       | 36,161        | 31,349       | 32,908       | 36,489       | 36,815        | 34,307       | 36,041       | 44,292       | 42,702        |                    |
| Marketable securities                                  | -            | 2,500        | 500          | 500          | -             | 2,000        | 1,000        | -            | -             | -            | -            | -            | -             |                    |
| Inventory  | 9,860        | 8,902        | 9,839        | 9,527        | 10,177        | 9,617        | 10,729       | 9,493        | 10,043        | 10,136       | 10,743       | 10,032       | 10,288        |                    |
| Deferred tax assets                                    | 1,260        | 2,946        | 2,946        | 2,946        | 2,946         | 2,370        | 2,370        | 2,370        | 2,370         | 1,661        | 1,661        | 1,661        | 1,661         |                    |
| Other current assets                                   | 1,057        | 923          | 1,942        | 3,812        | 5,426         | 1,054        | 1,804        | 3,493        | 4,913         | 875          | 1,856        | 3,400        | 4,958         |                    |
| Bad debt provision                                     | -213         | -191         | -191         | -202         | -202          | -178         | -185         | -204         | -205          | -193         | -201         | -245         | -236          |                    |
| <b>Fixed assets</b>                                    | 111,200      | 112,993      | 116,735      | 116,782      | 116,233       | 117,653      | 115,519      | 116,280      | 115,818       | 119,032      | 120,654      | 119,168      | 122,044       | 105.4%             |
| Tangible fixed assets                                  | 35,140       | 33,077       | 31,911       | 31,157       | 30,671        | 30,794       | 30,465       | 30,260       | 29,748        | 30,159       | 29,686       | 29,443       | 29,074        |                    |
| Buildings  | 13,523       | 12,450       | 11,935       | 11,553       | 11,274        | 12,062       | 11,745       | 11,383       | 11,055        | 10,955       | 11,060       | 10,764       | 10,891        |                    |
| Machinery and equipment                                | 9,554        | 7,464        | 7,400        | 6,934        | 6,397         | 6,405        | 6,887        | 6,368        | 6,193         | 6,031        | 6,239        | 5,873        | 5,601         |                    |
| Land   | 10,996       | 10,949       | 10,949       | 10,949       | 10,949        | 10,949       | 10,949       | 10,949       | 10,949        | 10,949       | 10,949       | 10,949       | 10,949        |                    |
| Construction in progress                               | 1,026        | 2,158        | 1,574        | 1,671        | 2,005         | 1,336        | 845          | 1,525        | 1,520         | 2,190        | 1,407        | 1,832        | 1,610         |                    |
| Lease assets   | 69           | 55           | 51           | 47           | 44            | 40           | 36           | 33           | 29            | 34           | 30           | 26           | 22            |                    |
| Intangible fixed assets                                | 2,837        | 2,824        | 7,798        | 8,486        | 8,220         | 7,953        | 7,687        | 7,421        | 7,155         | 6,889        | 6,623        | 6,356        | 6,140         |                    |
| Investments, etc.                                      | 73,223       | 77,090       | 77,025       | 77,137       | 77,342        | 78,905       | 77,366       | 78,598       | 78,914        | 81,983       | 84,345       | 83,367       | 86,829        |                    |
| Investment securities                                  | 14,658       | 17,350       | 16,018       | 15,914       | 16,175        | 19,085       | 17,902       | 19,190       | 19,824        | 23,606       | 26,706       | 26,715       | 30,204        |                    |
| Advances to and shares in related companies            | 45,568       | 47,141       | 47,141       | 47,141       | 47,141        | 48,477       | 48,477       | 48,722       | 48,722        | 48,148       | 48,148       | 48,148       | 48,148        |                    |
| Long-term loans  | 473          | 347          | 337          | 784          | 780           | 942          | 934          | 1,120        | 1,123         | 1,360        | 1,380        | 1,362        | 1,432         |                    |
| Deferred tax assets                                    | 3,835        | 3,853        | 4,251        | 4,198        | 4,302         | 1,569        | 1,916        | 1,607        | 1,482         | 783          | -            | -            | -             |                    |
| Other investments, etc.                                | 9,164        | 8,746        | 9,624        | 9,529        | 9,371         | 9,256        | 8,564        | 8,377        | 8,177         | 8,502        | 8,533        | 7,551        | 7,453         |                    |
| Provision for losses on investments                    | -109         | -            | -            | -            | -             | -            | -            | -            | -             | -            | -            | -            | -             |                    |
| Bad debt provision                                     | -368         | -349         | -348         | -430         | -429          | -425         | -428         | -419         | -415          | -419         | -425         | -413         | -410          |                    |
| <b>Total assets</b>                                    | 180,540      | 187,388      | 181,007      | 184,044      | 186,721       | 184,518      | 186,169      | 192,575      | 195,096       | 200,451      | 207,663      | 221,395      | 225,647       | 115.7%             |
| <b>Current liabilities</b>                             | 34,444       | 31,229       | 29,512       | 30,685       | 29,354        | 22,866       | 25,077       | 25,566       | 25,216        | 24,051       | 24,318       | 32,324       | 30,832        | 122.3%             |
| Notes payable and Accounts payable                     | 11,071       | 8,190        | 8,555        | 9,377        | 9,251         | 8,485        | 9,519        | 8,937        | 9,066         | 9,313        | 5,715        | 3,700        | 3,729         |                    |
| Electronically recorded obligations-operating          | -            | -            | -            | -            | -             | -            | -            | -            | -             | -            | 3,827        | 8,770        | 8,258         |                    |
| short-term debt  | 9,500        | 5,100        | 8,100        | 5,100        | 5,100         | 2,550        | 2,550        | -            | -             | -            | -            | -            | -             |                    |
| Accrued and unpaid expenses                            | 8,144        | 7,387        | 7,397        | 6,733        | 7,715         | 6,836        | 8,614        | 6,497        | 7,121         | 7,270        | 6,959        | 6,813        | 7,706         |                    |
| Unpaid tax, etc.                                       | 4,542        | 9,383        | 1,888        | 4,706        | 1,784         | 3,642        | 2,030        | 5,745        | 3,756         | 6,198        | 4,384        | 7,661        | 4,888         |                    |
| Bonus reserves   | 847          | 880          | 222          | 942          | 232           | 892          | 248          | 949          | 251           | 916          | 257          | 984          | 245           |                    |
| Reserve for returned goods unsold                      | 237          | 176          | 204          | 228          | 235           | 198          | 269          | 276          | 265           | 229          | 198          | 226          | 226           |                    |
| Other current liabilities                              | 99           | 110          | 3,143        | 3,596        | 5,035         | 258          | 1,844        | 3,160        | 4,757         | 119          | 2,976        | 4,163        | 5,777         |                    |
| <b>Fixed liabilities</b>                               | 15,458       | 10,675       | 10,632       | 8,106        | 8,173         | 7,881        | 7,949        | 8,018        | 8,059         | 8,111        | 8,178        | 8,138        | 9,213         | 114.3%             |
| Long-term borrowing                                    | 7,500        | 2,550        | 2,550        | -            | -             | -            | -            | -            | -             | -            | -            | -            | -             |                    |
| Provision for pension and remuneration obligations     | 5,717        | 5,918        | 5,878        | 5,905        | 5,975         | 5,958        | 6,030        | 6,102        | 6,147         | 6,195        | 6,032        | 6,076        | 6,147         |                    |
| Deferred tax liabilities related to revaluation        | 2,164        | 2,164        | 2,164        | 2,164        | 2,164         | 1,894        | 1,894        | 1,894        | 1,894         | 1,894        | 1,894        | 1,894        | 1,894         |                    |
| Other fixed liabilities                                | 76           | 43           | 39           | 36           | 32            | 29           | 25           | 21           | 18            | 21           | 251          | 166          | 1,171         |                    |
| <b>Total liabilities</b>                               | 49,902       | 41,905       | 40,145       | 38,791       | 37,527        | 30,748       | 33,026       | 33,584       | 33,276        | 32,162       | 32,496       | 40,462       | 40,045        | 120.3%             |
| <b>Owners' Equity</b>                                  | 128,259      | 142,889      | 139,321      | 143,619      | 147,908       | 150,299      | 150,707      | 155,942      | 158,391       | 162,767      | 167,565      | 173,386      | 175,853       | 111.0%             |
| Common stock   | 8,473        | 8,473        | 8,473        | 8,473        | 8,473         | 8,473        | 8,473        | 8,473        | 8,473         | 8,473        | 8,473        | 8,473        | 8,473         |                    |
| Capital surplus  | 8,241        | 8,241        | 8,241        | 8,241        | 8,241         | 8,241        | 8,241        | 8,241        | 8,241         | 8,241        | 8,241        | 8,241        | 8,241         |                    |
| Capital reserves                                       | 2,118        | 2,118        | 2,118        | 2,118        | 2,118         | 2,118        | 2,118        | 2,118        | 2,118         | 2,118        | 2,118        | 2,118        | 2,118         |                    |
| Other capital surplus                                  | 6,123        | 6,123        | 6,123        | 6,123        | 6,123         | 6,123        | 6,123        | 6,123        | 6,123         | 6,123        | 6,123        | 6,123        | 6,123         |                    |
| Retained earnings                                      | 130,040      | 144,673      | 144,421      | 148,720      | 153,009       | 155,400      | 155,809      | 161,044      | 163,493       | 167,869      | 172,669      | 178,491      | 180,959       |                    |
| Voluntary reserve                                      | 104,000      | 120,000      | 135,000      | 135,000      | 135,000       | 135,000      | 146,000      | 146,000      | 146,000       | 146,000      | 158,000      | 158,000      | 158,000       |                    |
| Unappropriated profit for the year                     | 26,040       | 24,673       | 9,421        | 13,720       | 18,009        | 20,400       | 9,809        | 15,044       | 17,493        | 21,869       | 14,669       | 20,491       | 22,959        |                    |
| (net profit)   | 20,041       | 20,615       | 2,783        | 7,081        | 14,370        | 16,761       | 3,408        | 8,643        | 14,091        | 18,467       | 7,798        | 13,620       | 19,088        |                    |
| Treasury stock   | -18,496      | -18,499      | -21,816      | -21,817      | -21,817       | -21,817      | -21,817      | -21,817      | -21,818       | -21,818      | -21,819      | -21,820      | -21,821       |                    |
| <b>Net unrealized gain and translation adjustments</b> | 2,377        | 2,593        | 1,541        | 1,633        | 1,286         | 3,471        | 2,434        | 3,047        | 3,429         | 5,521        | 7,602        | 7,546        | 9,748         | 284.3%             |
| Marketable securities revaluation account              | -810         | -595         | -1,647       | -1,555       | -1,903        | 11           | -1,025       | -411         | -30           | 2,061        | 4,142        | 4,086        | 6,288         |                    |
| Revaluation account                                    | 3,188        | 3,189        | 3,189        | 3,189        | 3,189         | 3,459        | 3,459        | 3,459        | 3,459         | 3,459        | 3,459        | 3,459        | 3,459         |                    |
| <b>Total Net assets</b>                                | 130,637      | 145,482      | 140,862      | 145,253      | 149,194       | 153,770      | 153,142      | 158,990      | 161,820       | 168,289      | 175,167      | 180,932      | 185,602       | 114.7%             |
| <b>Liabilities and Net assets</b>                      | 180,540      | 187,388      | 181,007      | 184,044      | 186,721       | 184,518      | 186,169      | 192,575      | 195,096       | 200,451      | 207,663      | 221,395      | 225,647       | 115.7%             |

Non-consolidated Financial Statement

Jan. 9th, 2014

| ≤Profit and Loss statement≤<br>(Unit: ¥mn) |         |         |        |        |        |         |        |        |        |         |        |        |        | 2010.2 | 2011.2 | 2011.5 | 2011.8 | 2011.11 | 2012.2 | 2012.5 | 2012.8 | 2012.11 | 2013.2 | 2013.5 | 2013.8 | 2013.11 | YoY |
|--|---------|---------|--------|--------|--------|---------|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|---------|--------|--------|--------|---------|-----|
|  | Q4      | Q4      | Q1     | Q2     | Q3     | Q4      | Q1     | Q2     | Q3     | Q4      | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     |         |        |        |        |         |        |        |        |         |     |
| <b>Sales</b>                               | 120,813 | 120,537 | 28,303 | 60,034 | 90,221 | 119,326 | 29,470 | 61,779 | 92,447 | 122,433 | 30,848 | 64,293 | 95,335 |        |        |        |        | 103.1%  |        |        |        |         |        |        |        |         |     |
| Rx Business                                | 95,740  | 96,544  | 23,088 | 47,686 | 72,832 | 95,036  | 24,659 | 49,778 | 74,822 | 98,002  | 23,485 | 49,696 | 74,266 |        |        |        |        | 99.3%   |        |        |        |         |        |        |        |         |     |
| OTC Business                               | 20,625  | 19,020  | 4,408  | 10,083 | 13,745 | 18,424  | 3,790  | 9,335  | 13,605 | 18,037  | 5,887  | 10,889 | 15,573 |        |        |        |        | 114.5%  |        |        |        |         |        |        |        |         |     |
| Intl Business                              | 4,447   | 4,973   | 806    | 2,264  | 3,642  | 5,865   | 1,021  | 2,665  | 4,018  | 6,393   | 1,474  | 3,708  | 5,495  |        |        |        |        | 136.8%  |        |        |        |         |        |        |        |         |     |
| <b>CoGS</b>                                | 37,540  | 38,766  | 8,544  | 18,285 | 27,426 | 37,009  | 9,687  | 20,513 | 30,299 | 40,610  | 10,591 | 21,484 | 31,114 |        |        |        |        | 102.7%  |        |        |        |         |        |        |        |         |     |
| (as a % of sales)                          | 31.1%   | 32.2%   | 30.2%  | 30.5%  | 30.4%  | 31.0%   | 32.9%  | 33.2%  | 32.8%  | 33.2%   | 34.3%  | 33.4%  | 32.6%  |        |        |        |        |         |        |        |        |         |        |        |        |         |     |
| <b>Gross profits</b>                       | 83,273  | 50,982  | 19,758 | 41,749 | 62,794 | 82,316  | 19,783 | 41,265 | 62,148 | 81,822  | 20,256 | 42,809 | 64,221 |        |        |        |        | 103.3%  |        |        |        |         |        |        |        |         |     |
| (as a % of sales)                          | 68.9%   | 67.8%   | 69.8%  | 69.5%  | 69.6%  | 69.0%   | 67.1%  | 66.8%  | 67.2%  | 66.8%   | 65.7%  | 66.6%  | 67.4%  |        |        |        |        |         |        |        |        |         |        |        |        |         |     |
| <b>SG&amp;A expenses</b>                   | 51,790  | 50,982  | 12,573 | 26,997 | 39,335 | 52,335  | 13,829 | 26,830 | 39,006 | 51,815  | 13,469 | 27,214 | 40,460 |        |        |        |        | 103.7%  |        |        |        |         |        |        |        |         |     |
| (as a % of sales)                          | 42.9%   | 42.3%   | 44.4%  | 45.0%  | 43.6%  | 43.9%   | 46.9%  | 43.4%  | 42.2%  | 42.3%   | 43.7%  | 42.3%  | 42.4%  |        |        |        |        |         |        |        |        |         |        |        |        |         |     |
| Sales costs                                | 23,477  | 21,665  | 5,332  | 12,208 | 17,630 | 23,046  | 6,356  | 12,142 | 17,302 | 22,821  | 6,564  | 12,961 | 18,159 |        |        |        |        | 105.0%  |        |        |        |         |        |        |        |         |     |
| Advertising costs                          | 8,481   | 7,876   | 2,064  | 4,923  | 7,105  | 8,728   | 2,895  | 5,138  | 6,875  | 8,853   | 2,710  | 5,234  | 7,147  |        |        |        |        | 104.0%  |        |        |        |         |        |        |        |         |     |
| (as a % of sales)                          | 7.0%    | 6.5%    | 7.3%   | 8.2%   | 7.9%   | 7.3%    | 9.8%   | 8.3%   | 7.4%   | 7.2%    | 8.8%   | 8.1%   | 7.5%   |        |        |        |        |         |        |        |        |         |        |        |        |         |     |
| R&D spending                               | 8,637   | 11,517  | 2,805  | 5,857  | 8,065  | 10,628  | 2,639  | 4,993  | 7,336  | 9,546   | 2,216  | 4,679  | 7,482  |        |        |        |        | 102.0%  |        |        |        |         |        |        |        |         |     |
| (as a % of sales)                          | 7.1%    | 9.6%    | 9.9%   | 9.8%   | 8.9%   | 8.9%    | 9.0%   | 8.1%   | 7.9%   | 7.8%    | 7.2%   | 7.3%   | 7.8%   |        |        |        |        |         |        |        |        |         |        |        |        |         |     |
| Administration costs                       | 19,676  | 17,800  | 4,436  | 8,932  | 13,640 | 18,661  | 4,834  | 9,695  | 14,368 | 19,443  | 4,687  | 9,573  | 14,818 |        |        |        |        | 103.1%  |        |        |        |         |        |        |        |         |     |
| <b>Operating profits</b>                   | 31,482  | 30,788  | 7,185  | 14,751 | 23,458 | 29,980  | 5,954  | 14,435 | 23,141 | 30,006  | 6,786  | 15,594 | 23,761 |        |        |        |        | 102.7%  |        |        |        |         |        |        |        |         |     |
| (as a % of sales)                          | 26.1%   | 25.5%   | 25.4%  | 24.6%  | 26.0%  | 25.1%   | 20.2%  | 23.4%  | 25.0%  | 24.5%   | 22.0%  | 24.3%  | 24.9%  |        |        |        |        |         |        |        |        |         |        |        |        |         |     |
| <b>Nonoperating balance</b>                | 674     | 646     | 119    | 277    | 456    | 647     | 111    | 398    | 714    | 993     | 363    | 703    | 1,003  |        |        |        |        | 140.5%  |        |        |        |         |        |        |        |         |     |
| Nonoperating income                        | 880     | 861     | 156    | 516    | 719    | 854     | 168    | 488    | 745    | 1,034   | 374    | 717    | 1,025  |        |        |        |        | 137.6%  |        |        |        |         |        |        |        |         |     |
| Nonoperating expenses                      | 205     | 215     | 37     | 238    | 262    | 206     | 57     | 89     | 30     | 41      | 11     | 14     | 21     |        |        |        |        | 70.0%   |        |        |        |         |        |        |        |         |     |
| <b>Recurring profits</b>                   | 32,156  | 31,435  | 7,304  | 15,029 | 23,915 | 30,628  | 6,065  | 14,834 | 23,855 | 30,999  | 7,149  | 16,298 | 24,765 |        |        |        |        | 103.8%  |        |        |        |         |        |        |        |         |     |
| (as a % of sales)                          | 26.6%   | 26.1%   | 25.8%  | 25.0%  | 26.5%  | 25.7%   | 20.6%  | 24.0%  | 25.8%  | 25.3%   | 23.2%  | 25.3%  | 26.0%  |        |        |        |        |         |        |        |        |         |        |        |        |         |     |
| <b>Extraordinary balance</b>               | 1,132   | 3,047   | -2,637 | -3,282 | -198   | -940    | -387   | -451   | -417   | -214    | 5,000  | 4,931  | 4,990  |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| Extraordinary profits                      | 1,728   | 3,202   | 5      | 13     | 3,399  | 3,662   | -      | 1      | 1      | 501     | 5,000  | 5,000  | 5,000  |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| Extraordinary losses                       | 595     | 154     | 2,643  | 3,296  | 3,597  | 4,602   | 387    | 453    | 418    | 715     | -      | 69     | 9      |        |        |        |        | 2.2%    |        |        |        |         |        |        |        |         |     |
| <b>Pretax profits</b>                      | 33,289  | 34,483  | 4,666  | 11,746 | 23,717 | 29,688  | 5,678  | 14,382 | 23,438 | 30,785  | 12,149 | 21,228 | 29,755 |        |        |        |        | 127.0%  |        |        |        |         |        |        |        |         |     |
| Tax, etc.                                  | 12,306  | 15,488  | 1,883  | 4,665  | 9,347  | 11,189  | 2,270  | 5,738  | 9,346  | 11,776  | 4,351  | 7,607  | 10,667 |        |        |        |        | 114.1%  |        |        |        |         |        |        |        |         |     |
| Tax adjustment                             | 942     | -1,620  | -      | -      | -      | 1,737   | -      | -      | -      | 541     | -      | -      | -      |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| Effective tax rate                         | 39.8%   | 40.2%   | 40.4%  | 39.7%  | 39.4%  | 43.5%   | 40.0%  | 39.9%  | 39.9%  | 40.0%   | 35.8%  | 35.8%  | 35.8%  |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| <b>Net profits</b>                         | 20,041  | 20,615  | 2,783  | 7,081  | 14,370 | 16,761  | 3,408  | 8,643  | 14,091 | 18,467  | 7,798  | 13,620 | 19,088 |        |        |        |        | 135.5%  |        |        |        |         |        |        |        |         |     |
| (as a % of sales)                          | 16.6%   | 17.1%   | 9.8%   | 11.8%  | 15.9%  | 14.0%   | 11.6%  | 14.0%  | 15.2%  | 15.1%   | 25.3%  | 21.2%  | 20.0%  |        |        |        |        |         |        |        |        |         |        |        |        |         |     |
| <b>Capex</b>                               | 5,816   | 2,850   |        | 648    |        | 2,431   |        | 1,369  |        | 3,304   |        | 966    |        |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| (as a % of sales)                          | 4.8%    | 2.4%    |        | 1.1%   |        | 2.0%    |        | 2.2%   |        | 2.7%    |        | 1.5%   |        |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| <b>Depreciation</b>                        | 4,442   | 4,600   |        | 1,629  |        | 3,945   |        | 1,822  |        | 3,756   |        | 1,618  |        |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| (as a % of sales)                          | 3.7%    | 3.8%    |        | 2.7%   |        | 3.3%    |        | 2.9%   |        | 3.1%    |        | 2.5%   |        |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| <b>Goodwill amortization</b>               | 2,102   | 0       |        | 88     |        | 621     |        | 532    |        | 1,064   |        | 532    |        |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| (as a % of sales)                          | 1.7%    | 0.0%    |        | 0.1%   |        | 0.5%    |        | 0.9%   |        | 0.9%    |        | 0.8%   |        |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| <b>Number of employees</b>                 | 1,389   | 1,435   |        | 1,481  |        | 1,428   |        | 1,479  |        | 1,451   |        | 1,540  |        |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| <b>Major products</b>                      |         |         |        |        |        |         |        |        |        |         |        |        |        |        |        |        |        |         |        |        |        |         |        |        |        |         |     |
| Mohrus tape                                | 75,765  | 76,565  | 18,437 | 37,668 | 57,705 | 75,369  | 19,515 | 39,391 | 59,206 | 77,678  | 18,515 | 38,939 | 58,292 |        |        |        |        | 98.5%   |        |        |        |         |        |        |        |         |     |
| Mohrus pap                                 | 11,125  | 9,859   | 1,969  | 4,340  | 6,543  | 8,240   | 2,038  | 4,164  | 6,166  | 7,846   | 1,726  | 3,679  | 5,500  |        |        |        |        | 89.2%   |        |        |        |         |        |        |        |         |     |
| Fentos tape                                | -       | 1,283   | 624    | 1,368  | 2,280  | 3,272   | 883    | 1,699  | 2,734  | 3,792   | 836    | 1,757  | 2,867  |        |        |        |        | 104.9%  |        |        |        |         |        |        |        |         |     |
| Norspan tape                               | -       | -       | -      | 44     | 152    | 320     | 257    | 588    | 937    | 1,330   | 439    | 903    | 1,355  |        |        |        |        | 144.6%  |        |        |        |         |        |        |        |         |     |
| Naboal                                     | 2,151   | 2,189   | 477    | 1,034  | 1,545  | 2,046   | 391    | 936    | 1,360  | 1,762   | 373    | 750    | 1,076  |        |        |        |        | 79.1%   |        |        |        |         |        |        |        |         |     |
| Estrana tape                               | 981     | 1,071   | 272    | 562    | 867    | 1,133   | 316    | 626    | 951    | 1,248   | 318    | 644    | 991    |        |        |        |        | 104.2%  |        |        |        |         |        |        |        |         |     |
| Neoxy Tape                                 | -       | -       | -      | -      | -      | -       | -      | -      | -      | -       | -      | 493    | 643    |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| Salonpas products                          | 6,776   | 6,439   | 1,045  | 3,118  | 4,634  | 6,658   | 1,113  | 3,291  | 4,915  | 6,852   | 1,491  | 3,795  | 5,819  |        |        |        |        | 118.4%  |        |        |        |         |        |        |        |         |     |
| Salonsip products                          | 3,711   | 3,459   | 683    | 1,816  | 2,692  | 3,688   | 655    | 1,922  | 2,863  | 3,805   | 873    | 2,057  | 3,043  |        |        |        |        | 106.3%  |        |        |        |         |        |        |        |         |     |
| Feitas products                            | 4,002   | 3,664   | 935    | 2,073  | 2,754  | 3,548   | 599    | 1,738  | 2,659  | 3,439   | 771    | 1,570  | 2,879  |        |        |        |        | 108.3%  |        |        |        |         |        |        |        |         |     |
| Butenalock products                        | 2,165   | 2,085   | 778    | 1,053  | 1,029  | 1,779   | 816    | 1,046  | 1,055  | 1,394   | 1,112  | 1,407  | 1,481  |        |        |        |        | 140.4%  |        |        |        |         |        |        |        |         |     |
| Air-Salonpas products                      | 1,662   | 1,778   | 410    | 1,218  | 1,539  | 1,804   | 441    | 1,150  | 1,457  | 1,707   | 420    | 1,150  | 1,439  |        |        |        |        | 98.8%   |        |        |        |         |        |        |        |         |     |
| Allegra FX                                 | -       | -       | -      | -      | -      | -       | -      | -      | 200    | 970     | 1,183  | 1,186  | 1,323  |        |        |        |        | 661.5%  |        |        |        |         |        |        |        |         |     |
| Daytrana                                   | 431     | 1,839   | 1,425  | 2,486  | 3,337  | 4,625   | 1,356  | 2,483  | 3,514  | 4,895   | 1,665  | 3,240  | 4,561  |        |        |        |        | 129.8%  |        |        |        |         |        |        |        |         |     |
| Vivelle-Dot                                | 1,199   | 4,080   | 852    | 1,891  | 2,857  | 3,780   | 1,071  | 2,130  | 3,145  | 4,234   | 1,204  | 2,770  | 3,837  |        |        |        |        | 122.0%  |        |        |        |         |        |        |        |         |     |
| Minivelle                                  | -       | -       | -      | -      | -      | -       | -      | -      | -      | -       | 178    | 783    | 1,689  |        |        |        |        | -       |        |        |        |         |        |        |        |         |     |
| Noven Therapeutics                         | 732     | 2,402   | 575    | 976    | 1,563  | 1,926   | 418    | 825    | 1,188  | 1,534   | 370    | 811    | 1,194  |        |        |        |        | 100.5%  |        |        |        |         |        |        |        |         |     |

## Earnings Forecasts

Jan. 9th, 2014

| (¥mn)   | Feb 2013A | Feb 2014E | YoY    | Cons-<br>parent ratio |
|---|-----------|-----------|--------|-----------------------|
| <Consolidated>  | full year | full year |        |                       |
| Sales   | 142,772   | 151,500   | 106.1% | 1.21                  |
| CoGS  | 51,659    | 54,900    |        |                       |
| (CoGS ratio %)  | 36.2%     | 36.2%     |        |                       |
| Gross profits   | 91,112    | 96,600    | 106.0% |                       |
| (as a % of sales)                                     | 63.8%     | 63.8%     |        |                       |
| SG&A costs  | 65,786    | 76,300    | 116.0% |                       |
| (Advertising costs)                                   | 10,086    | 12,300    | 122.0% |                       |
| (R&D spending)  | 12,662    | 13,900    | 109.8% |                       |
| Operating profits                                     | 25,326    | 20,300    | 80.2%  | 0.70                  |
| (as a % of sales)                                     | 17.7%     | 13.4%     |        |                       |
| Nonoperating balance                                  | 7,725     | 7,500     |        |                       |
| Recurring profits                                     | 33,051    | 27,800    | 84.1%  | 0.93                  |
| (as a % of sales)                                     | 23.2%     | 18.3%     |        |                       |
| Extraordinary balance                                 | -1,060    | 4,900     |        |                       |
| Pretax profits  | 31,991    | 32,700    | 102.2% |                       |
| Provision for tax                                     | 13,182    | 12,100    |        |                       |
| (effective tax rate)                                  | 41.2%     | 37.0%     |        |                       |
| Net profits   | 18,809    | 20,600    | 109.5% | 0.94                  |
| (as a % of sales)                                     | 13.2%     | 13.6%     |        |                       |
| Capex   | 5,882     | 7,000     |        |                       |
| Depreciation  | 5,814     | 5,200     |        |                       |
| Goodwill amortization                                 | 1,780     | 1,800     |        |                       |
| Amortization of stocks<br>of subsidiaries and affilia | 1,907     | 3,400     |        |                       |

| <Non-Consolidated>    | Feb 2013A | Feb 2014E | YoY    |
|-----------------------|-----------|-----------|--------|
|                       | full year | full year |        |
| Sales                 | 122,433   | 125,500   | 102.5% |
| Rx Business           | 98,002    | 99,000    | 101.0% |
| OTC Business          | 18,037    | 19,400    | 107.6% |
| Intl Business         | 6,393     | 7,100     | 111.1% |
| CoGS                  | 40,610    | 40,500    | 99.7%  |
| (CoGS ratio %)        | 33.2%     | 32.3%     |        |
| Gross profits         | 81,822    | 85,000    | 103.9% |
| (as a % of sales)     | 66.8%     | 67.7%     |        |
| SG&A costs            | 51,815    | 56,000    | 108.1% |
| Sales costs           | 22,821    | 23,900    | 104.7% |
| (Advertising costs)   | 8,853     | 9,300     | 105.0% |
| R&D spending          | 9,546     | 10,300    | 107.9% |
| Other                 | 19,443    | 21,800    | 112.1% |
| Operating profits     | 30,006    | 29,000    | 96.6%  |
| (as a % of sales)     | 24.5%     | 23.1%     |        |
| Nonoperating balance  | 993       | 800       |        |
| Recurring profits     | 30,999    | 29,800    | 96.1%  |
| (as a % of sales)     | 25.3%     | 23.7%     |        |
| Extraordinary balance | -214      | 4,900     |        |
| Pretax profits        | 30,785    | 34,700    | 112.7% |
| Provision for tax     | 12,317    | 12,700    |        |
| (effective tax rate)  | 40.0%     | 36.6%     |        |
| Net profits           | 18,467    | 22,000    | 119.1% |
| (as a % of sales)     | 15.1%     | 17.5%     |        |
| Capex                 | 3,304     | 4,500     |        |
| Depreciation          | 3,756     | 3,100     |        |
| Goodwill amortization | 1,064     | 1,000     |        |

## By product

## &lt;Rx. Products&gt;

|              |        |        |        |
|--------------|--------|--------|--------|
| Mohrus tape  | 77,678 | 77,800 | 100.2% |
| Mohrus pap   | 7,846  | 7,200  | 91.8%  |
| Fentos tape  | 3,792  | 3,900  | 102.8% |
| Norspan tape | 1,330  | 1,900  | 142.9% |
| Naboal       | 1,762  | 1,500  | 85.1%  |
| Estrana tape | 1,248  | 1,300  | 104.2% |

## &lt;OTC products&gt;

|                       |       |       |        |
|-----------------------|-------|-------|--------|
| Salonpas products     | 6,852 | 7,000 | 102.2% |
| Salonsip products     | 3,805 | 4,000 | 105.1% |
| Feitas products       | 3,439 | 3,600 | 104.7% |
| Butenalock products   | 1,394 | 1,800 | 129.1% |
| Air-Salonpas products | 1,707 | 1,700 | 99.6%  |
| Allegra FX            | 970   | 1,400 | 144.3% |

## &lt;Noven products&gt;

|                    |       |       |        |
|--------------------|-------|-------|--------|
| Daytrana           | 4,895 | 6,400 | 130.7% |
| Vivelle-Dot        | 4,234 | 4,100 | 96.8%  |
| Minivelle          | -     | 2,150 | -      |
| Noven Therapeutics | 1,534 | 1,200 | 78.2%  |