

Consolidated Financial Results for the Second Quarter of FY2014

Consolidated Subsidiaries: 3

Kissei Shoji Co., Ltd. / Kissei Comtec Co., Ltd. / Hashiba Technos Co., Ltd.

| Consolidated | Second Quarter of FY2013 Apr. 2013 - Sep. 2013 | | Second Quarter of FY2014 Apr. 2014 - Sep. 2014 | | | YoY |
|--|---|--------|---|-------------|--------|-------|
| | Mil. of US\$ | Ratio | Mil. of US\$ | Mil. of Yen | Ratio | |
| Net Sales | 292.8 | 100.0% | 317.5 | 34,610 | 100.0% | 8.4% |
| Cost of Sales | 94.8 | 32.4% | 106.8 | 11,646 | 33.7% | 12.7% |
| Gross Profit | 198.0 | 67.6% | 210.7 | 22,964 | 66.3% | 6.4% |
| Selling, General and Administrative Expenses | 153.6 | 52.5% | 162.0 | 17,658 | 51.0% | 5.5% |
| Operating Income | 44.4 | 15.2% | 48.7 | 5,305 | 15.3% | 9.5% |
| Net Income | 34.7 | 11.8% | 41.3 | 4,504 | 13.0% | 19.2% |

Note: US dollar amounts are translated at the rate of ¥109 = US\$1.

Financial Forecasts for FY2014

| Consolidated | Results of FY2013 Apr. 2013 - Mar. 2014 | | | Forecasts for FY2014 Apr. 2014 - Mar. 2015 | | | YoY |
|---|--|-------------|--------|---|-------------|--------|--------|
| | Mil. of US\$ | Mil. of Yen | Ratio | Mil. of US\$ | Mil. of Yen | Ratio | |
| Net Sales | 645.9 | 70,399 | 100.0% | 630.3 | 68,700 | 100.0% | Δ2.4% |
| Cost of Sales | 212.7 | 23,181 | 32.9% | 219.3 | 23,900 | 34.8% | 3.1% |
| Gross Profit | 433.2 | 47,219 | 67.1% | 411.0 | 44,800 | 65.2% | Δ5.1% |
| Selling, General and Administrative Expenses | 320.3 | 34,917 | 49.6% | 324.8 | 35,400 | 51.5% | 1.4% |
| Operating Income | 112.9 | 12,301 | 17.5% | 86.2 | 9,400 | 13.7% | Δ23.6% |
| Net Income | 83.4 | 9,093 | 12.9% | 71.0 | 7,740 | 11.3% | Δ14.9% |

¥109= US\$1

Trends in Business Performance

(Millions of Yen except Number of Employees)

| Consolidated | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 Forecasts |
|----------------------------------|--------|--------|--------|--------|---------------------|
| Net Sales | 64,394 | 64,619 | 62,491 | 70,399 | 68,700 |
| Operating Income | 6,464 | 7,466 | 7,761 | 12,301 | 9,400 |
| (% of Net Sales) | (10.0) | (11.6) | (12.4) | (17.5) | (13.7) |
| Extraordinary Gain or Loss | △ 604 | △ 252 | △ 857 | △ 140 | 10 |
| Net Income | 4,004 | 4,770 | 5,020 | 9,093 | 7,740 |
| (% of Net Sales) | (6.2) | (7.4) | (8.0) | (12.9) | (11.3) |
| R&D Expenses | 12,037 | 10,043 | 10,312 | 11,299 | 12,100 |
| (% of Net Sales) | (18.7) | (15.5) | (16.5) | (16.0) | (17.6) |
| Depreciation and Amortization | 2,810 | 2,635 | 2,390 | 2,190 | 2,230 |
| Capital Investment | 1,322 | 1,893 | 1,664 | 2,382 | 2,290 |
| Export Value | 2,648 | 2,794 | 4,018 | 7,757 | 6,660 |
| Number of Employees | 1,911 | 1,893 | 1,894 | 1,883 | — |

< Years ended / ending March 31 >

Trends in Main Product Sales

(Millions of Yen)

| Products | FY2012 | FY2013 | FY2013 2Q | FY2014 2Q | FY2014 Forecasts |
|---------------------------|--------|--------|--------------|--------------|---------------------|
| URIEF | 11,714 | 13,332 | 6,602 | 6,919 | 13,930 |
| GLUFAST | 3,447 | 3,410 | 1,621 | 1,628 | 3,420 |
| GLUBES | 1,695 | 2,551 | 1,195 | 1,586 | 3,280 |
| SALAGEN | 1,140 | 1,267 | 613 | 588 | 1,240 |
| EPOETIN ALFA BS INJECTION | 4,427 | 5,596 | 2,789 | 2,896 | 5,790 |
| BEZATOL | 5,947 | 5,543 | 2,893 | 2,288 | 4,380 |
| UTEMERIN | 4,012 | 3,910 | 2,100 | 1,770 | 3,370 |
| XANBON | 1,219 | 1,074 | 570 | 439 | 860 |
| RIZABEN Eye Drops | 2,329 | 1,526 | 488 | 555 | 1,400 |
| RIZABEN | 1,607 | 1,444 | 713 | 635 | 1,280 |
| DOMENAN | 226 | 197 | 101 | 80 | 160 |
| FRAGMIN | 467 | 419 | 222 | 173 | 330 |
| RYSMON TG | 553 | 493 | 258 | 214 | 420 |
| ZOLADEX 1.8mg Depot | 687 | 796 | 396 | 336 | 700 |
| FULSTAN | 642 | 660 | 319 | 303 | 620 |
| Nutritional food products | 3,727 | 3,861 | 1,907 | 1,814 | 3,800 |

< Years ended / ending March 31 >