

Consolidated Financial Results for the Second Quarter of Fiscal Year 03/2014

Consolidated Subsidiaries: 3

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

Consolidated	Second Quarter of Fiscal Y03/2013 Apr. 2012 - Sep. 2012		Second Quarter of Fiscal Y03/2014 Apr. 2013 - Sep. 2013			YoY
	Mil. of US\$	Ratio	Mil. of US\$	Mil. of Yen	Ratio	
Net Sales	299.8	100.0%	326.4	31,919	100.0%	8.9%
Cost of Sales	93.9	31.3%	105.7	10,333	32.4%	12.6%
Gross Profit	205.9	68.7%	220.7	21,586	67.6%	7.2%
Selling, General and Administrative Expenses	168.8	56.3%	171.2	16,742	52.5%	1.4%
Operating Income	37.1	12.4%	49.5	4,843	15.2%	33.4%
Net Income	18.6	6.2%	38.7	3,780	11.8%	108.0%

Note: US dollar amounts are translated at the rate of ¥97.8 = US\$1.

Financial Forecasts for Annual 03/2014

Consolidated	Results of Annual 03/2013 Apr. 2012 - Mar. 2013			Forecasts for Annual 03/2014 Apr. 2013 - Mar. 2014			YoY
	Mil. of US\$	Mil. of Yen	Ratio	Mil. of US\$	Mil. of Yen	Ratio	
Net Sales	639.0	62,491	100.0%	669.7	65,500	100.0%	4.8%
Cost of Sales	216.2	21,143	33.8%	230.1	22,500	34.4%	6.4%
Gross Profit	422.8	41,348	66.2%	439.7	43,000	65.6%	4.0%
Selling, General and Administrative Expenses	343.4	33,586	53.7%	354.8	34,700	53.0%	3.3%
Operating Income	79.4	7,761	12.4%	84.9	8,300	12.7%	6.9%
Net Income	51.3	5,019	8.0%	66.0	6,450	9.8%	28.5%

¥97.8 = US\$1

Trends in Business Performance

(Millions of Yen except Number of Employees)

Consolidated	03/2010	03/2011	03/2012	03/2013	03/2014 Forecasts
Net Sales	62,178	64,393	64,618	62,491	65,500
Operating Income	6,584	6,463	7,465	7,761	8,300
(% of Net Sales)	(10.6)	(10.0)	(11.6)	(12.4)	(12.7)
Extraordinary Gain or Loss	△ 604	△ 604	△ 251	△ 857	△ 100
Net Income	4,371	4,004	4,769	5,019	6,450
(% of Net Sales)	(7.0)	(6.2)	(7.4)	(8.0)	(9.8)
R&D Expenses	10,786	12,037	10,043	10,312	11,500
(% of Net Sales)	(17.3)	(18.7)	(15.5)	(16.5)	(17.6)
Depreciation and Amortization	3,233	2,809	2,635	2,390	2,220
Capital Investment	2,037	1,322	1,893	1,664	2,580
Export Value	1,746	2,647	2,793	4,018	3,890
Number of Employees	1,920	1,911	1,893	1,894	—

< Years ended / ending March 31 >

Trends in Main Product Sales

(Millions of Yen)

Products	03/2012 Results	03/2013 Results	03/2013 2Q Results	03/2014 2Q Results	03/2014 Forecasts
URIEF	11,156	11,714	5,723	6,602	13,270
GLUFAST	4,299	3,447	1,841	1,621	3,450
GLUBES	668	1,694	781	1,195	2,490
SALAGEN	1,046	1,140	581	613	1,200
EPOETIN ALFA BS INJECTION	2,899	4,426	2,127	2,789	5,590
BEZATOL	7,091	5,947	3,106	2,892	5,480
UTEMERIN	4,338	4,012	2,106	2,099	3,920
XANBON	1,467	1,219	648	569	1,090
RIZABEN Eye Drops	2,086	2,329	698	488	1,460
RIZABEN	1,723	1,606	793	713	1,430
DOMENAN	257	226	115	101	190
FRAGMIN	595	466	241	222	430
RYSMON TG	648	553	293	257	490
ZOLADEX 1.8mg Depot	693	687	344	395	720
FULSTAN	622	641	338	319	620
Nutritional food products	3,618	3,727	1,850	1,906	3,850

< Years ended / ending March 31 >