

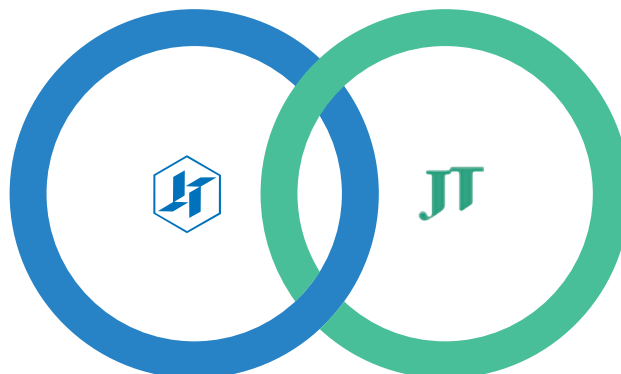
# Summary of Business

## Collaboration with Japan Tobacco Inc. (JT)

In the pharmaceutical industry, the technology required to develop new drugs is becoming increasingly sophisticated, and R&D costs are generally rising. At the same time, the requirements for new drug approval are becoming ever more demanding. As a result, it often takes many years to release a new product to market. In keeping with our tradition of always seeking and maximizing synergies, built over a corporate history dating back more than 130 years, Torii joined the JT Group in 1998. In 1999, we established a business collaboration with JT, which envisioned R&D oriented pharmaceutical activities. In this new partnership, R&D for new drugs came under the control of JT, while Torii took over sales and marketing functions.

In April 2006, Torii also extended its manufacturing operations to include those of JT.

This partnership has enabled JT and Torii to continuously supply high-quality pharmaceutical products.



## Sales and Marketing

Torii has about 300 medical representatives (MRs) working at seven branch offices throughout Japan. In order to distribute information relating to pharmaceutical products, the MRs use Torii's marketing support system to access the information they need to provide prompt responses to specific needs. This marketing support system is crucial to effective information distribution, and also enhances clients' confidence in Torii through disseminating information widely shared by MRs and other business units to medical professionals. The Pharmaceutical Marketing & Promotion Group formulates business strategies based on analyses of market needs and projections of future changes in the market environment. It also supports initiatives to enhance the quality of the pharmaceutical information that MRs provide to medical professionals.

In principle, new ethical pharmaceutical products developed by JT are marketed in Japan by Torii, which is strengthening its marketing and distribution system in preparation for the introduction of new drugs. Torii also works actively with JT to in-license products that can be brought to the Japanese market.

## Manufacturing

We outsource the entire process of pharmaceutical production. As a pharmaceutical company, in cooperation with our contract manufacturers, we work daily to fulfill our responsibility to ensure the quality and stable supply of our products.

Highly sophisticated quality assurance and safety management systems are required for pharmaceutical products that directly affect people's lives and health.

We have built a strong system of cooperation with pharmaceutical manufacturing sites and established a thorough quality management system of pharmaceutical products to maintain quality throughout all of our manufacturing processes and provide customers with an invisible feeling of reassurance. Each and every one of our employees is constantly aware that beyond the pharmaceutical products we manufacture, there are the patients and their families who need these products.

In order to provide pharmaceutical products that patients can use with the utmost confidence, we regularly visit pharmaceutical manufacturing sites to confirm manufacturing control and quality control with our own eyes.

Under the quality control system based on Good Manufacturing Practices (GMP)\*, manufacturing sites produce pharmaceutical products while confirming quality for each process, conduct the prescribed tests, and release only those that pass the tests.

We also share information regarding product quality with each manufacturing site to implement process improvements and quality improvements on a daily basis.

\*Standards for manufacturing control and quality control of pharmaceutical products

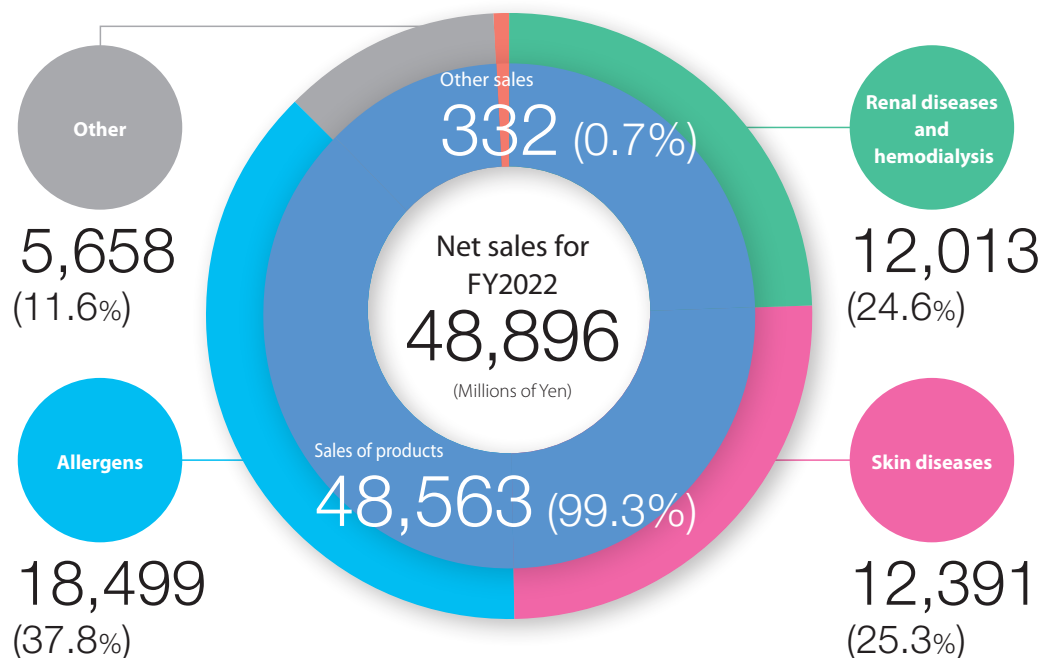
## Research and Development

In the allocation of functions concerning R&D with JT, R&D functions for novel compounds are concentrated at JT.

JT is actively investing business resources to enhance and strengthen its R&D capabilities, aiming to create innovative, original drugs by building up a unique, world-class pharmaceutical business driven by R&D.

JT's Central Pharmaceutical Research Institute consists of six specialized research facilities that collaborate closely on new drug R&D in the Group's priority areas: (1) glucose and lipid metabolism, (2) immune disorders and inflammation, and (3) virus research.

## Net Sales by Disease Area



## Mainstay Products

\*In-house products



### Riona Tablets

Therapeutic agent for hyperphosphatemia/  
Therapeutic drug for iron deficiency anemia (IDA)

Net sales



### REMITCH

Oral antipruritic agent

Net sales



### CORECTIM

Topical Janus kinase (JAK) inhibitor

Net sales



### ANTEBATE\*

Topical corticosteroid

Net sales



### CEDARCURE Japanese Cedar Pollen Sublingual Tablets\*

Japanese cedar pollinosis  
(allergen immunotherapy)

Net sales



### MITICURE House Dust Mite Sublingual Tablets\*

House dust mite allergy  
(allergen immunotherapy)

Net sales

