



Financial Results for the First Quarter of Fiscal Year Ending March 2013

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※ This material is prepared based on Japan GAAP.
※ Amounts are rounded down to the nearest million yen.

July 30 2012



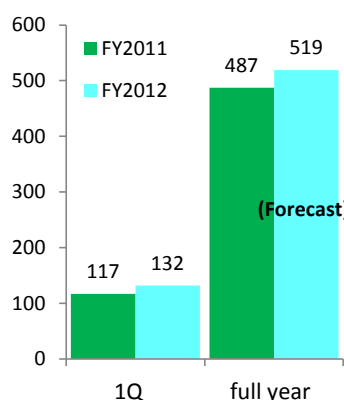
TORII PHARMACEUTICAL CO., LTD.

1. Summary Information

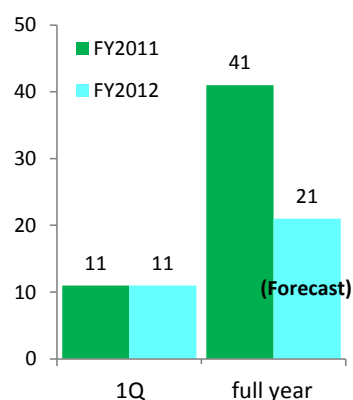
① Financial Results

(Millions of Yen)	FY2011 1Q	FY2012 1Q	Change	Change (%)	Forecasts		Progress ratio (%)
					FY2011 Full year	FY2012 Full year	
Net sales	11,776	13,246	1,470	12.5	48,717	51,900	25.5
Operating income	1,137	1,126	△10	△1.0	4,153	2,100	53.6
Ordinary income	1,179	1,223	43	3.7	4,338	2,200	55.6
Net income	703	686	△17	△2.4	2,611	1,200	57.2
(Reference)							
R&D expenses	982	1,850	867	88.3	4,631	7,957	23.3
Earnings per share (EPS)	(¥)	24.87	24.26	△0.61	92.27	42.40	
Return on equity (ROE)	(%)	0.9	0.9	0.0	3.5	—	
Ratio of ordinary income to total assets	(%)	1.4	1.4	0.0	5.0	—	
Ratio of operating income to net sales	(%)	9.7	8.5	△1.2	8.5	—	
Return on assets (ROA)	(%)	0.8	0.8	0.0	3.0	—	

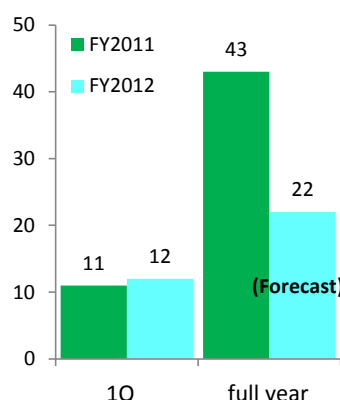
Net sales (0.1 billion yen)



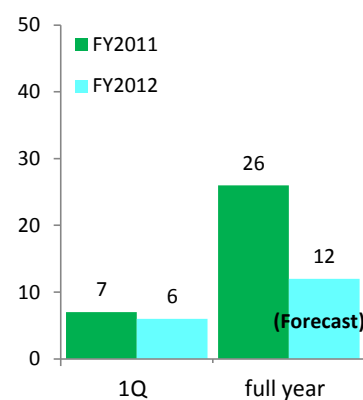
Operating income (0.1 billion yen)



Ordinary income (0.1 billion yen)



Net income (0.1 billion yen)



② Financial Conditions

(Millions of Yen)	March 31, 2012	June 30, 2012	Change	Change (%)
Total assets	87,734	85,670	△2,063	△2.4
Total equity	75,832	75,986	153	0.2
Equity ratio	(%)	86.4	88.7	2.3
Book value per share (BPS)	(¥)	2,679.48	2,684.92	5.44

2. Financial Results for the 1Q of FY2012

① Non-consolidated Quarterly Statement of Income

(Millions of Yen)	FY2011 1Q	FY2012 1Q	Change	Change (%)
Net sales	11,776	13,246	1,470	12.5
Sales of products ※	11,719	13,189	1,470	12.5
HIV	2,401	2,980	579	24.1
Renal disease and hemodialysis	2,574	3,450	875	34.0
Skin disease	2,886	3,052	166	5.8
Other	3,856	3,705	△150	△3.9
Rent income of real estate	57	57	0	0.4
Cost of sales	4,834	5,703	868	18.0
Cost of products sold	4,818	5,687	869	18.0
Cost of real estate rent	16	15	△0	△5.5
Gross profit	6,941	7,543	602	8.7
Selling, general and administrative expenses	5,803	6,417	613	10.6
R&D expenses	982	1,850	867	88.3
Other	4,821	4,566	△254	△5.3
Operating income	1,137	1,126	△10	△1.0
Non-operating income	49	97	47	—
Non-operating expenses	7	1	△6	—
Ordinary income	1,179	1,223	43	3.7
Extraordinary loss	29	26	△3	—
Income before income taxes	1,150	1,197	46	4.1
Income taxes	446	510	64	14.4
Net income	703	686	△17	△2.4

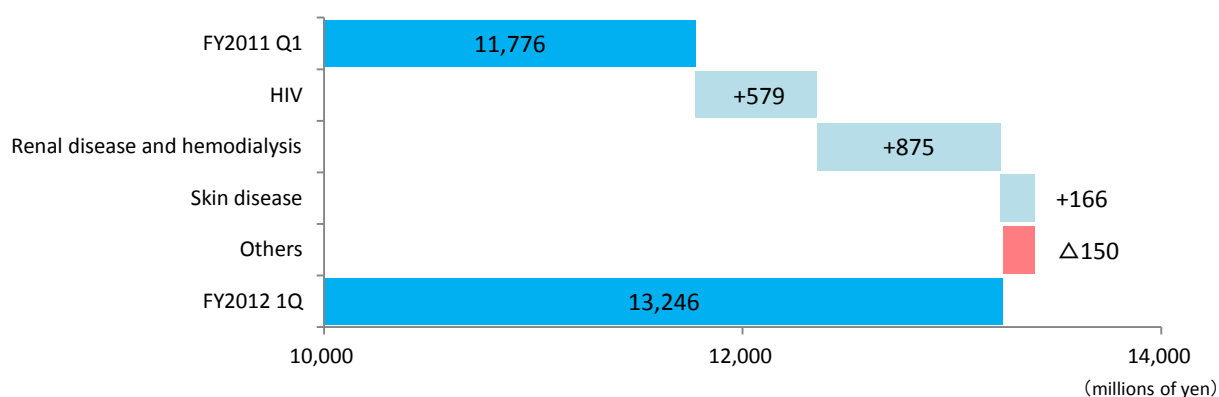
※ For details, please refer to page 4.

(Reference) Ratio to net sales

(%)	FY2011 1Q	FY2012 1Q	Change
Cost of sales	41.1	43.1	2.0
SG&A	49.2	48.4	△0.8
R&D expenses	8.3	14.0	5.7
Operating income	9.7	8.5	△1.2
Ordinary income	10.0	9.2	△0.8
Net income	6.0	5.2	△0.8

[Factors in increase/decrease compared with the same quarter of the last fiscal year]

Net Sales (¥ 13,246 million : Increase ¥ 1,470 million year-on-year)

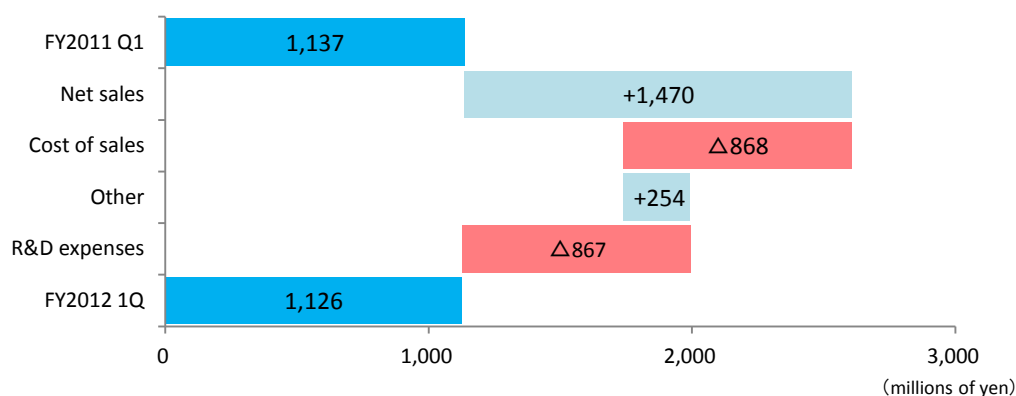


Major factors in increase/decrease

HIV	: Truvada	Increase ¥ 573million
Renal disease	: REMITCH	Increase ¥ 715million
and hemodialysis	KAYEXALATE	Increase ¥ 160million

※For details, please refer to "②Sales of Products and Priority Categories" in page 4.

Operating income (¥ 1,126 million : Decrease ¥ 10 million year-on-year)



Major factors in increase/decrease

Cost of sales	: Increase in net sales
R&D expenses	: Increase in clinical test expenses (TO-203)
Other	: Decrease in supplies expenses

Ordinary income (¥ 1,223 million : Increase ¥ 43 million year-on-year)

Special remarks: None

Net income (¥ 686 million : Decrease ¥ 17 million year-on-year)

Special remarks: None

② Sales of Products and Priority Categories

a. Sales of Products

(Millions of Yen)	FY2011 1Q	FY2012 1Q	Change	Change (%)
Sales of Products	11,719	13,189	1,470	12.5
REMITCH Oral improving agent for pruritus	2,256	2,972	715	31.7
Truvada Agent used for the treatment of HIV	2,276	2,849	573	25.2
ANTEBATE ※ Topical corticosteroid	1,658	1,745	87	5.3
FUTHAN ※ Protease inhibitor	1,228	1,131	△96	△7.9
URINORM ※ Uricosuric agent	820	762	△57	△7.0
Dovonex Treatment for psoriasis vulgaris	477	523	45	9.5
KAYEXALATE ※ Improving agent for hyperkalemia	317	478	160	50.4
BIO-THREE Viable bacterial preparations	407	459	52	12.8
ZEFNART Topical antifungal agent	381	406	25	6.6
LOCOID ※ Topical corticosteroid	368	376	7	2.1
Magsent Tocolysis in threatened premature labor	275	322	47	17.4
Other	1,250	1,160	△90	△7.2

※ In-house Products

b. Sales of Priority Categories

(Millions of Yen)	FY2011 1Q	FY2012 1Q	Change	Change (%)
Sales of Products	11,719	13,189	1,470	12.5
HIV (Truvada, Other HIV drugs)	2,401	2,980	579	24.1
Renal disease and hemodialysis (REMITCH, KAYEXALATE)	2,574	3,450	875	34.0
Skin disease (ANTEBATE, Dovonex, ZEFNART, LOCOID)	2,886	3,052	166	5.8
Other (FUTHAN, URINORM, BIO-THREE, Magsent, Other)	3,856	3,705	△150	△3.9

(References) Sales of in-house products and ratio of in-house products sales

(Millions of Yen)	FY2011 1Q	FY2012 1Q	Change	Change (%)
Sales of in-house products	4,896	5,005	108	2.2
Ratio of in-house product sales (%)	41.8	37.9	△3.9	—

③ Non-consolidated Quarterly Balance Sheet

<i>(Millions of Yen)</i>	March 31, 2012	June 30, 2012	Change	Change (%)	Component ratio (%)
Current Assets	70,352	68,753	△1,598	△2.3	80.3
Cash and deposits	25,106	24,132	△974		
Deposits in the cash management system ※	6,276	4,903	△1,372		
Accounts receivable-trade	19,580	20,202	622		
Short-term investment securities	11,200	11,805	605		
Inventories	6,342	5,818	△524		
Other	1,846	1,891	44		
Noncurrent assets	17,382	16,917	△465	△2.7	19.7
Property, plant and equipment	5,297	5,539	242	4.6	
Intangible assets	704	689	△15	△2.2	
Investments and other assets	11,380	10,688	△692	△6.1	
Investment securities	6,392	5,827	△564		
Long-term prepaid expenses	2,750	2,606	△143		
Other	2,238	2,254	16		
Total assets	87,734	85,670	△2,063	△2.4	100.0
Current liabilities	11,231	9,105	△2,126	△18.9	10.6
Accounts payable-trade	4,717	4,457	△260		
Income taxes payable	1,706	530	△1,176		
Accrued employees' bonuses	1,156	603	△553		
Other	3,650	3,514	△135		
Long-term liabilities	670	579	△91	△13.6	0.7
Total liabilities	11,902	9,684	△2,217	△18.6	11.3
Shareholders' equity	75,624	75,745	120	0.2	88.4
Unrealized gain on available-for-sale securities	208	241	33	15.9	0.3
Total equity	75,832	75,986	153	0.2	88.7
Total liabilities and equity	87,734	85,670	△2,063	△2.4	100.0

※ "Deposits in the cash management system (CMS)" is fund deposited at Japan Tobacco inc., which controls the CMS of the JT group companies in Japan.

<u>Major factors in increase/decrease</u>	
(Current Assets)	
Cash and deposits	: Decrease by payment of income taxes, bonuses and dividends
Deposits in the CMS	
Accounts receivable-trade	: Increase by increase in sales
Short-term investment securities	: Increase by transfer from investment securities
Inventories	: Decrease in inventories of products
(Noncurrent assets)	
Investment securities	: Decrease by transfer to short-term investment securities
(Current liabilities)	
Income taxes payable	: Decrease by payment of income taxes
Accrued employees' bonuses	: Decrease by payment of bonuses
(Equity)	
Shareholders' equity	: Increase in net income and decrease by payment of dividends

④ Capital Expenditures

(Millions of Yen)	FY2011 1Q	FY2012 1Q	Change	Change (%)
Capital expenditure	200	495	295	147.5
PP&E	161	462	301	186.9
Intangible assets	39	32	△6	△15.5

Descriptions of capital expenditures

PP&E : Investment mainly in manufacturing facilities

Intangible assets : Investment mainly in software such as a sales support system, aiming to streamline operations

⑤ Depreciation/Amortization

(Millions of Yen)	FY2011 1Q	FY2012 1Q	Change	Change (%)
Depreciation	287	248	△38	△13.5
Amortization of long-term pre-paid expense	166	149	△17	△10.2

⑥ Research and development

Development code	Indication	Formulation/ Route of administration	Development stage (domestic)					Remarks
			Phase I	Phase II	Phase III	Application	Approval	
Renal disease and hemodialysis								
JTT-751	Hyperphosphatemia	Oral			Phase III in progress			<ul style="list-style-type: none"> •Licensing Agreement with Keryx for Development and Commercialization of Hyper-phosphatemia Drug in Japan •Co-development with JT
Allergens								
TO-194SL	Japanese cedar pollen induced allergic diseases (Immunotherapy)	Sublingual liquid			Phase III in progress			•In-house
TO-203	House dust mite induced allergic asthma and rhinitis (Immunotherapy)	Sublingual tablet			Preparing for Phase II / III			<ul style="list-style-type: none"> •Licensing agreement signed with ALK providing exclusive development and sales rights for Japan •In-house
TO-204	House dust mite induced allergic asthma and rhinitis (Immunotherapy)	Injection			Preparing for Phase III			<ul style="list-style-type: none"> •Licensing agreement signed with ALK providing exclusive development and sales rights for Japan •In-house

3. Financial Forecasts for the FY2012 (Forecasts are not changed)

① Non-consolidated Statement of Income

(Millions of Yen)	Forecasts		Change	Change (%)
	FY2011 Full year	FY2012 Full year		
Net sales	48,717	51,900	3,182	6.5
Sales of products ※	48,489	51,680	3,190	6.6
HIV	10,474	12,230	1,755	16.8
Renal disease and hemodialysis	11,276	13,800	2,523	22.4
Skin disease	11,139	11,360	220	2.0
Other	15,599	14,290	△1,309	△8.4
Rent income of real estate	228	220	△8	△3.7
Cost of sales	20,539	22,700	2,160	10.5
Gross profit	28,178	29,200	1,021	3.6
SG&A	24,024	27,100	3,075	12.8
R&D expenses	4,631	7,957	3,325	71.8
Other	19,392	19,143	△249	△1.3
Operating income	4,153	2,100	△2,053	△49.4
Ordinary income	4,338	2,200	△2,138	△49.3
Net income	2,611	1,200	△1,411	△54.0

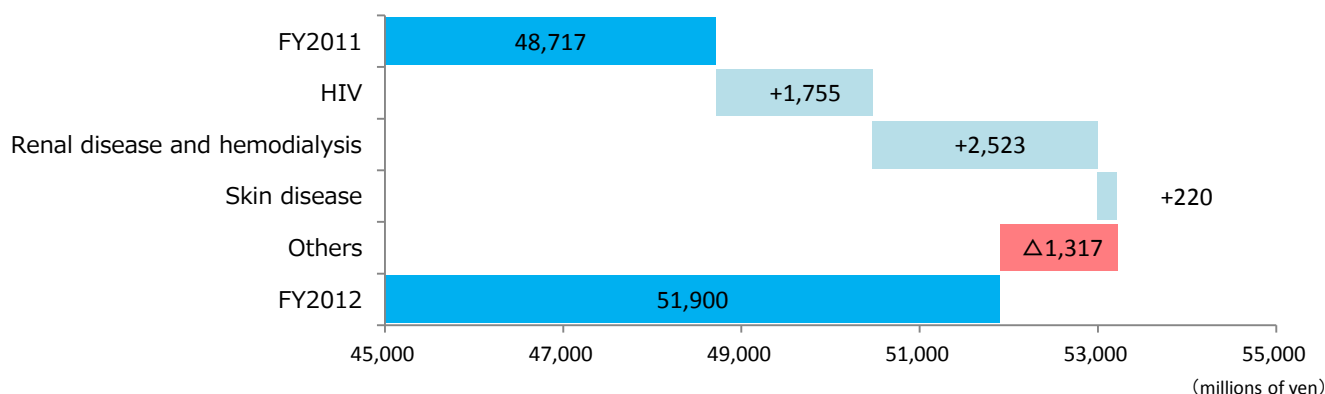
※ For details, please refer to page 9.

(Reference) Ratio to net sales

(%)	FY2011 Full year	FY2012 Full year	Change
Cost of sales	42.2	43.7	1.5
SG&A	49.3	52.3	3.0
R&D expenses	9.5	15.3	5.8
Operating income	8.5	4.0	△4.5
Ordinary income	8.9	4.2	△4.7
Net income	5.4	2.3	△3.1

[Factors in increase/decrease compared with the last fiscal year]

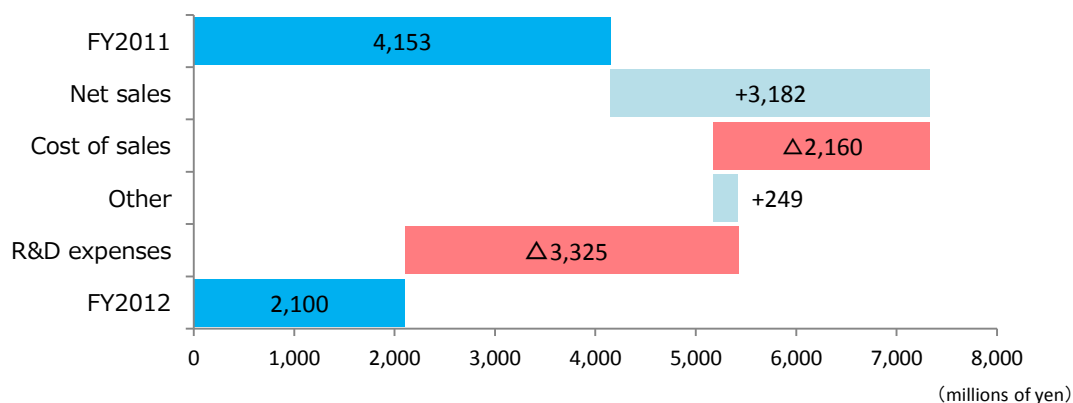
Net Sales (¥51,900 million : Increase ¥3,182 million year-on-year)



Major factors in increase/decrease		
HIV	: Truvada	Increase ¥1,844million
Renal disease and hemodialysis	: REMITCH KAYEXALATE	Increase ¥1,974million Increase ¥549million
Other	: FUTHAN URINORM	Decrease ¥811million Decrease ¥428million

※For details, please refer to "②Sales of Products and Priority Categories" in page 9.

Operating income (¥2,100 million : Decrease ¥2,053 million year-on-year)



Major factors in increase/decrease	
Cost of sales	: Increase of net sales
R&D expenses	: Increase of R&D expenses of TO-203

Ordinary income (¥2,200 million : Decrease ¥2,138 million year-on-year)

Special remarks: None

Net Income (¥1,200 million : Decrease ¥1,411 million year-on-year)

Special remarks: None

② Sales of Products and Priority Categories

a. Sales of Products

<i>(Millions of Yen)</i>	Forecasts		Change	Change (%)
	FY2011 Full year	FY2012 Full year		
Sales of Products	48,489	51,680	3,190	6.6
Truvada Agent used for the treatment of HIV	9,945	11,790	1,844	18.5
REMITCH Oral improving agent for pruritus	9,735	11,710	1,974	20.3
ANTEBATE ※ Topical corticosteroid	6,584	6,780	195	3.0
FUTHAN ※ Protease inhibitor	5,131	4,320	△811	△15.8
URINORM ※ Uricosuric agent	3,238	2,810	△428	△13.2
KAYEXALATE ※ Improving agent for hyperkalemia	1,540	2,090	549	35.6
BIO-THREE Viable bacterial preparations	1,712	1,870	157	9.2
Dovonex Treatment for psoriasis vulgaris	1,808	1,790	△18	△1.0
ZEFNART Topical antifungal agent	1,403	1,440	36	2.6
LOCOID ※ Topical corticosteroid	1,344	1,350	5	0.4
Magsent Tocolysis in threatened premature labor	1,188	1,310	121	10.2
Other	4,857	4,420	△437	△9.0

※ In-house Products

b. Sales of Priority Categories

<i>(Millions of Yen)</i>	Forecasts		Change	Change (%)
	FY2011 Full year	FY2012 Full year		
Sales of Products	48,489	51,680	3,190	6.6
HIV [Truvada, Other HIV drugs]	10,474	12,230	1,755	16.8
Renal disease and hemodialysis [REMITCH, KAYEXALATE]	11,276	13,800	2,523	22.4
Skin disease [ANTEBATE, Dovonex, ZEFNART, LOCOID]	11,139	11,360	220	2.0
Other [FUTHAN, URINORM, BIO-THREE, Magsent, Other]	15,599	14,290	△1,309	△8.4

(References) Sales of in-house products and ratio of in-house product sales

<i>(Millions of Yen)</i>	Forecasts		Change	Change (%)
	FY2011 Full year	FY2012 Full year		
Sales of in-house products	19,856	19,540	△316	△1.6
Ratio of in-house product sales (%)	41.0	37.8	△3.2	—

③ Capital Expenditures

<i>(Millions of Yen)</i>	Forecasts			
	FY2011 Full year	FY2012 Full year	Change	Change (%)
Capital expenditure	849	1,262	412	48.5
PP&E	613	1,105	491	80.2
Intangible assets	236	157	△79	△33.7

Content of capital expenditure

PP&E : Investment mainly in manufacturing facilities

Intangible assets : Investment mainly in software such as a sales support system,
aiming to streamline operations

④ Depreciation/Amortization

<i>(Millions of Yen)</i>	FY2011 Full year	FY2012 Full year	Change	Change (%)
Depreciation	1,194	1,060	△134	△11.3

⑤ Dividends

	FY2011 Full year	FY2012 Full year	Change	Change (%)
Dividends per share (¥)	40	40	0	0.0
Dividends payout ratio (%)	43.4	94.3	50.9	—

【Important notes on forward-looking statement】

The forecasts presented in this material are forward-looking statements. Reflecting assumptions based on information available on the date of publication, these statements are subject to inherent risks and uncertainties. Accordingly, unforeseen factors may cause actual results to differ materially from the projections contained herein.

Torii will not necessarily revise this material regardless of any new information, future events or other results. At the present moment, the following matters may be pointed out as risks or uncertain factors that could affect the Company's future results (but such risks or uncertain factors are not limited to these):

- ◇Changes in Pharmaceutical Affairs Law, Other Acts or Regulations
- ◇Drug Price Adjustments
- ◇Adverse Drug Reactions
- ◇Delay or Discontinuance of Research and Development
- ◇Stoppage of Product Supply
- ◇Litigation Risk