

Financial Results for the First Nine Months 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.

January 31 2013



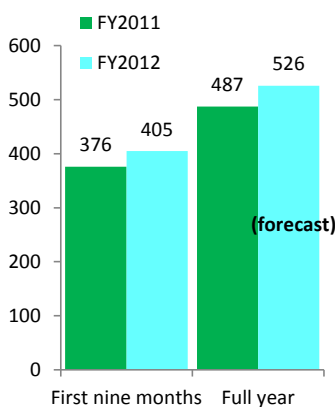
TORII PHARMACEUTICAL CO., LTD.

I Summary Information

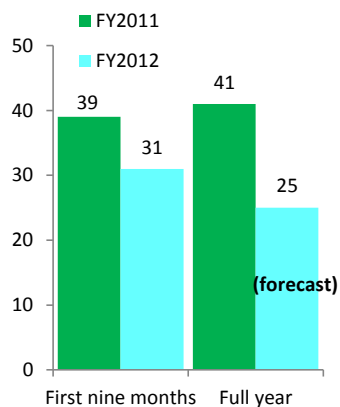
① Financial Results

(Millions of Yen)	FY2011 First nine months A	FY2012 First nine months B	Change B-A	Change (%) (B-A)/A	FY2011 Full year	FY2012 Full year forecast C	Progress ratio (%) B/C
Net sales	37,633	40,527	2,893	7.7	48,717	52,600	77.0
Operating income	3,903	3,159	△744	△19.1	4,153	2,500	126.4
Ordinary income	4,059	3,312	△746	△18.4	4,338	2,700	122.7
Net income	2,479	1,892	△587	△23.7	2,611	1,500	126.2
(Reference)							
R&D expenses	3,580	5,838	2,257	63.0	4,631	8,020	72.8
Earnings per share (EPS) (¥)	87.62	66.87	△20.75		92.27	53.00	
Return on equity (ROE) (%)	3.3	2.5	△0.8		3.5	-	
Ratio of ordinary income to total assets (%)	4.7	3.7	△1.0		5.0	-	
Ratio of operating income to net sales (%)	10.4	7.8	△2.6		8.5	-	
Return on assets (ROA) (%)	2.9	2.1	△0.8		3.0	-	

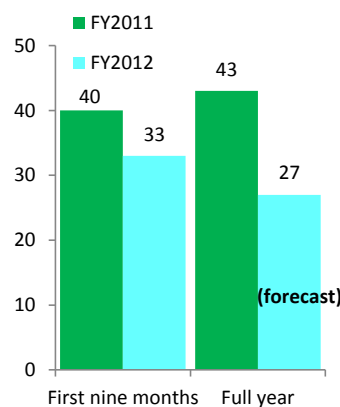
Net sales (0.1 billion yen)



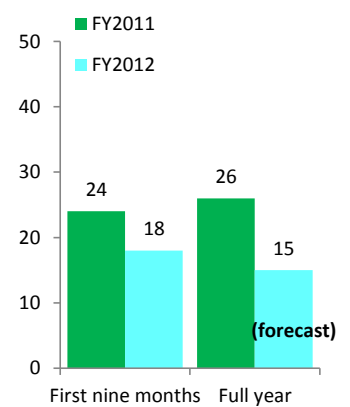
Operating income (0.1 billion yen)



Ordinary income (0.1 billion yen)



Net income (0.1 billion yen)



② Financial Conditions

(Millions of Yen)	March 31, 2012 A	December 31, 2012 B	Change B-A	Change (%) (B-A)/A
Total assets	87,734	90,965	3,230	3.7
Total equity	75,832	76,576	744	1.0
Equity ratio (%)	86.4	84.2	△2.2	
Book value per share (BPS) (¥)	2,679.48	2,705.81	26.33	

II Financial Results for the First Nine Months of FY2012

① Non-consolidated Statement of Income

(Millions of Yen)	FY2011		FY2012		Change	Change (%)
	First nine months		First nine months			
	A	B	B-A	(B-A)/A		
Net sales	37,633	40,527	2,893	7.7		
Sales of products ※	37,461	40,356	2,894	7.7		
HIV	7,932	9,220	1,288	16.2		
Renal disease and hemodialysis	8,497	10,815	2,318	27.3		
Skin disease	8,685	8,956	271	3.1		
Other	12,347	11,363	△983	△8.0		
Rent income of real estate	171	170	△0	△0.4		
Cost of sales	15,611	17,571	1,960	12.6		
Cost of products sold	15,562	17,525	1,963	12.6		
Cost of real estate rent	48	45	△2	△6.0		
Gross profit	22,022	22,955	933	4.2		
Selling, general and administrative expenses	18,118	19,795	1,677	9.3		
R&D expenses	3,580	5,838	2,257	63.0		
Other	14,537	13,957	△579	△4.0		
Operating income	3,903	3,159	△744	△19.1		
Non-operating income	157	174	16	—		
Non-operating expenses	2	21	19	—		
Ordinary income	4,059	3,312	△746	△18.4		
Extraordinary income	800	—	△800	—		
Extraordinary loss	91	27	△64	—		
Income before income taxes	4,768	3,285	△1,482	△31.1		
Income taxes	2,288	1,392	△895	△39.1		
Net income	2,479	1,892	△587	△23.7		

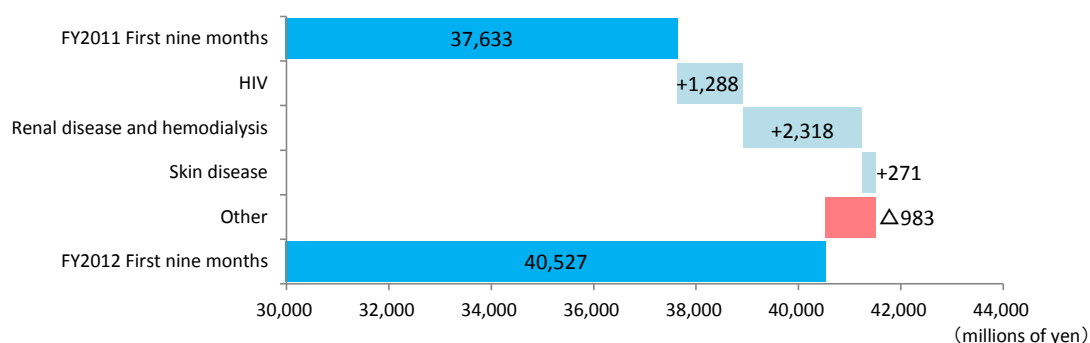
※ For details, please refer to page 4.

(Reference) Ratio to net sales

(%)	FY2011		FY2012		Change
	First nine months		First nine months		
	A	B	B-A		
Cost of sales	41.5	43.4	1.9		
SG&A	48.1	48.8	0.7		
R&D expenses	9.5	14.4	4.9		
Operating income	10.4	7.8	△2.6		
Ordinary income	10.8	8.2	△2.6		
Net income	6.6	4.7	△1.9		

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

Net Sales (¥40,527 million : Increase ¥2,893 million year-on-year)

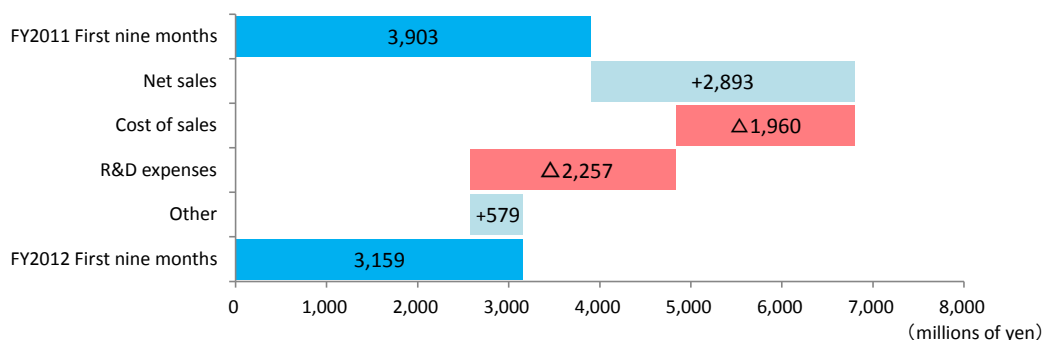


Major factors in increase/decrease

HIV	: Truvada	Increase ¥1,329million
Renal disease and hemodialysis	: REMITCH KAYEXALATE	Increase ¥1,942million Increase ¥375million
Other	: FUTHAN URINORM	Decrease ¥505million Decrease ¥374million

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

Operating income (¥3,159 million : Decrease ¥744 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 and sales promotion expenses

Ordinary income (¥3,312 million : Decrease ¥746 million year-on-year)

Special remarks: None

Net income (¥1,892 million : Decrease ¥587 million year-on-year)

The last fiscal year: Extraordinary income ¥800 million including a ¥784 million reimbursement resulting from the cancellation of a joint development project

② Sales of Products and Priority Categories

a.Sales of Products

(Millions of Yen)	FY2011	FY2012	Change	Change (%)
	First nine months	First nine months		
	A	B	B-A	(B-A)/A
Sales of Products	37,461	40,356	2,894	7.7
REMITCH Oral anti-pruritus agent	7,360	9,303	1,942	26.4
Truvada Antiviral agent for HIV	7,515	8,844	1,329	17.7
ANTEBATE ※ Topical corticosteroid	5,070	5,190	119	2.4
FUTHAN ※ Protease inhibitor	4,126	3,620	△505	△12.3
URINORM ※ Uricosuric agent	2,561	2,186	△374	△14.6
KAYEXALATE ※ Agent for hyperkalemia	1,136	1,511	375	33.1
Dovonex Topical agent for psoriasis vulgaris	1,385	1,464	78	5.7
BIO-THREE Viable bacterial preparations	1,301	1,437	136	10.5
ZEFNART Topical antifungal agent	1,195	1,272	76	6.4
Magsent Tocolysis in threatened premature labor	950	1,039	88	9.4
LOCOID ※ Topical corticosteroid	1,033	1,030	△3	△0.3
Other	3,824	3,454	△369	△9.7

※ In-house Products

b.Sales of Priority Categories

(Millions of Yen)	FY2011	FY2012	Change	Change (%)
	First nine months	First nine months		
	A	B	B-A	(B-A)/A
Sales of Products	37,461	40,356	2,894	7.7
HIV (Truvada, Other anti-HIV drugs)	7,932	9,220	1,288	16.2
Renal disease and hemodialysis (REMITCH, KAYEXALATE)	8,497	10,815	2,318	27.3
Skin disease (ANTEBATE, Dovonex, ZEFNART, LOCOID)	8,685	8,956	271	3.1
Other (FUTHAN, URINORM, BIO-THREE, Magsent, Other)	12,347	11,363	△983	△8.0

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

(Millions of Yen)	FY2011	FY2012	Change	Change (%)
	First nine months	First nine months		
	A	B	B-A	(B-A)/A
Sales of in-house products	15,469	15,060	△409	△2.6
Ratio of in-house product sales (%)	41.3	37.3	△4.0	—

③ Non-consolidated Balance Sheet

(Millions of Yen)	March 31, 2012 A	December 31,2012 B	Change B-A	Change (%) (B-A)/A	Component ratio (%) (Dec. 31,2012)
Current assets	70,352	70,382	30	0.0	77.4
Cash and deposits	25,106	20,678	△4,428		
Deposits in the CMS ※1	6,276	5,975	△300		
Notes and accounts receivable-trade	19,580	21,457	1,877		
Short-term investment securities	11,200	14,306	3,106		
Inventories	6,342	5,966	△375		
Other	1,846	1,997	151		
Noncurrent assets	17,382	20,582	3,199	18.4	22.6
Property, plant and equipment	5,297	5,791	494		
Intangible assets	704	657	△47		
Investments and other assets	11,380	14,133	2,752		
Investment securities	6,392	5,728	△664		
Long-term prepaid expenses	2,750	6,041	3,291		
Other	2,238	2,363	125		
Total assets	87,734	90,965	3,230	3.7	100.0
Current liabilities	11,231	13,695	2,464	21.9	15.0
Accounts payable-trade	4,717	5,924	1,206		
Accounts payable-other	2,447	4,642	2,195		
Income taxes payable	1,706	1,155	△551		
Accrued employees' bonuses	1,156	585	△571		
Other	1,202	1,387	185		
Long-term liabilities	670	692	21	3.3	0.8
Total liabilities	11,902	14,388	2,486	20.9	15.8
Shareholders' equity	75,624	76,384	759	1.0	84.0
Unrealized gain on available-for-sale securities	208	192	△15	△7.6	0.2
Total equity	75,832	76,576	744	1.0	84.2
Total liabilities and equity	87,734	90,965	3,230	3.7	100.0

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

Major factors in increase/decrease	
(Current assets)	
Notes and accounts receivable-trade	: Increase by increase in sales
Short-term investment securities	: Increase by acquisition of certificates of deposit, increase by transfer from investment securities and decrease by redemption of debt securities
Inventories	: Decrease in inventories of products
(Noncurrent assets)	
PP&E	: Increase by investment in manufacturing facilities
Investment securities	: Decrease by transfer to short-term investment securities and increase by acquisition of debt securities
Long-term prepaid expenses	: Increase mainly by acquisition of distribution rights for a novel anti-HIV drug ※2
(Current liabilities)	
Accounts payable-trade	: Increase by increase in purchasing products
Accounts payable-other	: Increase by acquisition of distribution rights for a novel anti-HIV drug
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

※2 Under the license agreement with JT on August 28, 2012, Torii has exclusive rights to commercialize "The single tablet regimen containing JTK-303(elvitegravir)" in Japan. On December 6, 2012, JT has filed a New Drug Application in Japan for this drug.

④ Capital Expenditures

(Millions of Yen)	FY2011	FY2012	Change	Change (%)
	First nine months	First nine months		
	A	B	B-A	(B-A)/A
Capital expenditure	549	1,248	699	127.3
PP&E	383	1,147	763	199.4
Intangible assets	165	101	△64	△39.1

Descriptions of capital expenditures

- PP&E : Investment mainly in manufacturing facilities to commercialize allergen related products
- Intangible assets : Investment mainly in software such as a sales support system, aiming to streamline operations

⑤ Depreciation/Amortization

(Millions of Yen)	FY2011	FY2012	Change	Change (%)
	First nine months	First nine months		
	A	B	B-A	(B-A)/A
Depreciation	887	778	△109	△12.3
Amortization of long-term prepaid expenses	498	462	△36	△7.4

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				Application	<ul style="list-style-type: none"> ·Licensing agreement signed with Keryx for development and commercialization of hyperphosphatemia drug in Japan ·Co-development with JT ·NDA filing by JT on January 7, 2013 	
Allergens								
TO-194SL	Japanese cedar pollinosis (Immunotherapy)	Sublingual liquid				Application	<ul style="list-style-type: none"> ·In-house ·NDA filing by Torii on December 25, 2012 	
TO-203	House dust mite induced allergic asthma and rhinitis (Immunotherapy)	Sublingual tablet		Phase II / III			<ul style="list-style-type: none"> ·Licensing agreement signed with ALK for providing exclusive development and sales rights in Japan ·In-house 	
TO-204	House dust mite induced allergic asthma and rhinitis (Immunotherapy)	Injection			Phase III		<ul style="list-style-type: none"> ·Licensing agreement signed with ALK for providing exclusive development and sales rights in Japan ·In-house 	

III Financial Forecasts for the FY2012

① Non-consolidated Statement of Income

(Millions of Yen)	FY2012 Full year	FY2012 Full year	Change	FY2011	Change	Change
	previous forecast	revised forecast		Full year		
	A	B	B-A	C	B-C	(B-C)/C
Net sales	52,600	52,600	0	48,717	3,882	8.0
Sales of products ※	52,380	52,380	0	48,489	3,890	8.0
HIV	12,240	12,150	△90	10,474	1,675	16.0
Renal disease and hemodialysis	14,360	14,220	△140	11,276	2,943	26.1
Skin disease	11,330	11,520	190	11,139	380	3.4
Other	14,450	14,490	40	15,599	△1,109	△7.1
Rent income of real estate	220	220	0	228	△8	△3.7
Cost of sales	23,000	23,000	0	20,539	2,460	12.0
Gross profit	29,600	29,600	0	28,178	1,421	5.0
SG&A	27,100	27,100	0	24,024	3,075	12.8
R&D expenses	8,010	8,020	10	4,631	3,388	73.2
Other	19,090	19,080	△10	19,392	△312	△1.6
Operating income	2,500	2,500	0	4,153	△1,653	△39.8
Ordinary income	2,700	2,700	0	4,338	△1,638	△37.8
Net income	1,500	1,500	0	2,611	△1,111	△42.6

※ For details, please refer to page 8.

(Reference) Ratio to net sales

(%)	FY2012 Full year	FY2012 Full year	Change	FY2011	Change
	previous forecast	revised forecast		Full year	
	A	B	B-A	C	
Cost of sales	43.7	43.7	0.0	42.2	1.5
SG&A	51.5	51.5	0.0	49.3	2.2
R&D expenses	15.2	15.2	0.0	9.5	5.7
Operating income	4.8	4.8	0.0	8.5	△3.7
Ordinary income	5.1	5.1	0.0	8.9	△3.8
Net income	2.9	2.9	0.0	5.4	△2.5

② Sales of Products and Priority Categories

a.Sales of Products

(Millions of Yen)	FY2012 Full year	FY2012 Full year	Change	FY2011	Change	Change
	previous forecast	revised forecast		Full year		
	A	B	B-A	C	B-C	(B-C)/C
Sales of Products	52,380	52,380	0	48,489	3,890	8.0
REMITCH Oral anti-pruritus agent	12,200	12,210	10	9,735	2,474	25.4
Truvada Antiviral agent for HIV	11,790	11,670	△120	9,945	1,724	17.3
ANTEBATE ※ Topical corticosteroid	6,690	6,780	90	6,584	195	3.0
FUTHAN ※ Protease inhibitor	4,450	4,530	80	5,131	△601	△11.7
URINORM ※ Uricosuric agent	2,830	2,740	△90	3,238	△498	△15.4
KAYEXALATE ※ Agent for hyperkalemia	2,160	2,010	△150	1,540	469	30.4
Dovonex Topical agent for psoriasis vulgaris	1,910	1,890	△20	1,808	81	4.5
BIO-THREE Viable bacterial preparations	1,840	1,840	0	1,712	127	7.4
ZEFNART Topical antifungal agent	1,420	1,510	90	1,403	106	7.6
LOCOID ※ Topical corticosteroid	1,310	1,340	30	1,344	△4	△0.3
Magsent Tocolysis in threatened premature labor	1,290	1,290	0	1,188	101	8.6
Other	4,490	4,570	80	4,857	△287	△5.9

※ In-house Products

b.Sales of Priority Categories

(Millions of Yen)	FY2012 Full year	FY2012 Full year	Change	FY2011	Change	Change
	previous forecast	revised forecast		Full year		
	A	B	B-A	C	B-C	(B-C)/C
Sales of Products	52,380	52,380	0	48,489	3,890	8.0
HIV 〔Truvada, Other anti-HIV drugs〕	12,240	12,150	△90	10,474	1,675	16.0
Renal disease and hemodialysis 〔REMITCH, KAYEXALATE〕	14,360	14,220	△140	11,276	2,943	26.1
Skin disease 〔ANTEBATE, Dovonex, ZEFNART, LOCOID〕	11,330	11,520	190	11,139	380	3.4
Other 〔FUTHAN, URINORM, BIO-THREE, Magsent, Other〕	14,450	14,490	40	15,599	△1,109	△7.1

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

(Millions of Yen)	FY2012 Full year	FY2012 Full year	Change	FY2011	Change	Change
	previous forecast	revised forecast		Full year		
	A	B	B-A	C	B-C	(B-C)/C
Sales of in-house products	19,560	19,510	△50	19,856	△346	△1.7
Ratio of in-house product sales (%)	37.3	37.2	△0.1	41.0	△3.8	—

③ Capital Expenditures

<i>(Millions of Yen)</i>	FY2012 Full year	FY2012 Full year	Change	FY2011	Change	Change
	previous forecast	revised forecast		Full year		
	A	B	B-A	C	B-C	(B-C)/C
Capital expenditure	1,422	1,606	184	849	756	89.0
PP&E	1,262	1,448	186	613	834	136.2
Intangible assets	160	158	△2	236	△78	△33.3

Descriptions of capital expenditures

PP&E	: Investment mainly in manufacturing facilities to commercialize a development of Allergens
Intangible assets	: Investment mainly in software such as a sales support system, aiming to streamline operations

④ Depreciation

<i>(Millions of Yen)</i>	FY2012 Full year	FY2012 Full year	Change	FY2011	Change	Change
	previous forecast	revised forecast		Full year		
	A	B	B-A	C	B-C	(B-C)/C
Depreciation	1,061	1,068	7	1,194	△126	△10.6

⑤ Dividends

		FY2012 Full year	FY2012 Full year	Change	FY2011	Change	Change
		previous forecast	revised forecast		Full year		
		A	B	B-A	C	B-C	(B-C)/C
Dividends per share	(¥)	40	40	0	40	0	0.0
Dividends payout ratio	(%)	75.5	75.5	0.0	43.4	32.1	-

[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