

Financial Results for the First Three Months of Fiscal Year Ending March 2014

I Summary Information	P.1
① Financial Results	P.1
② Financial Conditions	P.1
II Financial Results for the First Three Months of FY2013	P.2
① Non-consolidated Statement of Income	P.2
② Sales of Products	P.4
③ Non-consolidated Balance Sheet	P.5
④ Capital Expenditures	P.6
⑤ Depreciation/Amortization	P.6
⑥ Research and Development	P.6
III Financial Forecasts for the FY2013	P.7
① Non-consolidated Statement of Income	P.7
② Sales of Products	P.9
③ Capital Expenditures	P.10
④ Depreciation	P.10
⑤ Dividends	P.10
【Important notes on forward-looking statements】	P.10

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

July 29, 2013



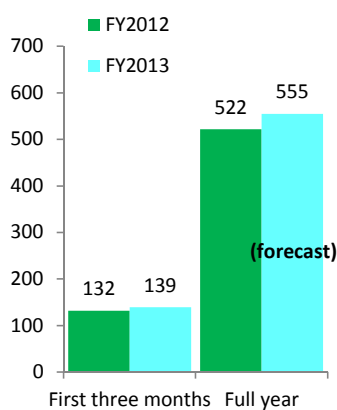
TORII PHARMACEUTICAL CO., LTD.

I Summary Information

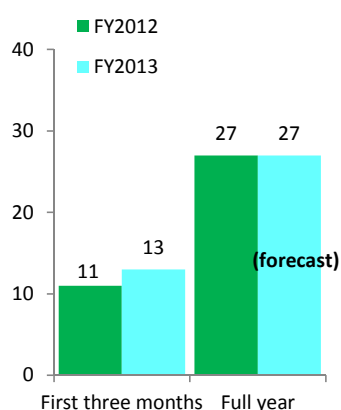
① Financial Results

(Millions of Yen)	FY2012 First three months A	FY2013 First three months B	Change B-A	Change (%) (B-A)/A	FY2012 Full year	FY2013 Full year forecast C	Progress ratio (%) B/C
Net sales	13,246	13,947	700	5.3	52,294	55,500	25.1
Operating income	1,126	1,321	194	17.3	2,794	2,700	48.9
Ordinary income	1,223	1,369	146	11.9	2,952	2,800	48.9
Net income	686	815	128	18.8	1,849	1,700	48.0
(Reference)							
R&D expenses	1,850	1,655	△194	△10.5	7,824	7,200	23.0
Earnings per share (EPS)	(¥) 24.26	28.82	4.56		65.36	60.07	
Return on equity (ROE)	(%) 0.9	1.1	0.2		2.4	—	
Ratio of ordinary income to total assets	(%) 1.4	1.5	0.1		3.3	—	
Ratio of operating income to net sales	(%) 8.5	9.5	1.0		5.3	—	
Return on assets (ROA)	(%) 0.8	0.9	0.1		2.1	—	

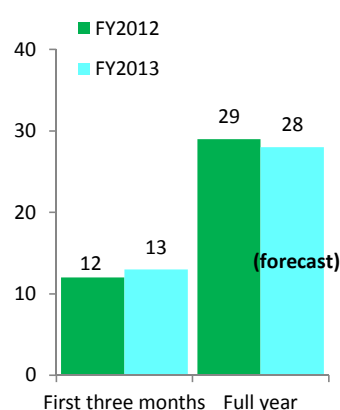
Net sales (0.1 billion yen)



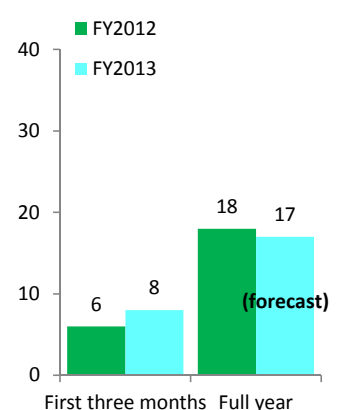
Operating income (0.1 billion yen)



Ordinary income (0.1 billion yen)



Net income (0.1 billion yen)



② Financial Conditions

(Millions of Yen)	March 31, 2013 A	June 30, 2013 B	Change B-A	Change (%) (B-A)/A
Total assets	91,350	88,095	△3,255	△3.6
Total equity	76,700	76,934	233	0.3
Equity ratio	(%) 84.0	87.3	3.3	
Book value per share (BPS)	(¥) 2,710.18	2,718.43	8.25	

II Financial Results for the First Three Months of FY2013

① Non-consolidated Statement of Income

<i>(Millions of Yen)</i>	FY2012 First three months <i>A</i>	FY2013 First three months <i>B</i>	Change <i>B-A</i>	Change (%) <i>(B-A)/A</i>
Net sales	13,246	13,947	700	5.3
Sales of products ※	13,189	13,891	701	5.3
Renal disease and hemodialysis	5,344	5,482	137	2.6
Skin disease and allergens	3,150	3,306	156	5.0
HIV	2,980	3,373	392	13.2
Other	1,713	1,728	14	0.9
Rent income of real estate	57	56	△1	△2.1
Cost of sales	5,703	6,159	455	8.0
Cost of products sold	5,687	6,144	456	8.0
Cost of real estate rent	15	14	△0	△4.9
Gross profit	7,543	7,788	244	3.2
Selling, general and administrative expenses	6,417	6,466	49	0.8
R&D expenses	1,850	1,655	△194	△10.5
Other	4,566	4,811	244	5.4
Operating income	1,126	1,321	194	17.3
Non-operating income	97	55	△41	—
Non-operating expenses	1	7	6	—
Ordinary income	1,223	1,369	146	11.9
Extraordinary loss	26	0	△25	—
Income before income taxes	1,197	1,368	171	14.3
Income taxes	510	553	42	8.4
Net income	686	815	128	18.8

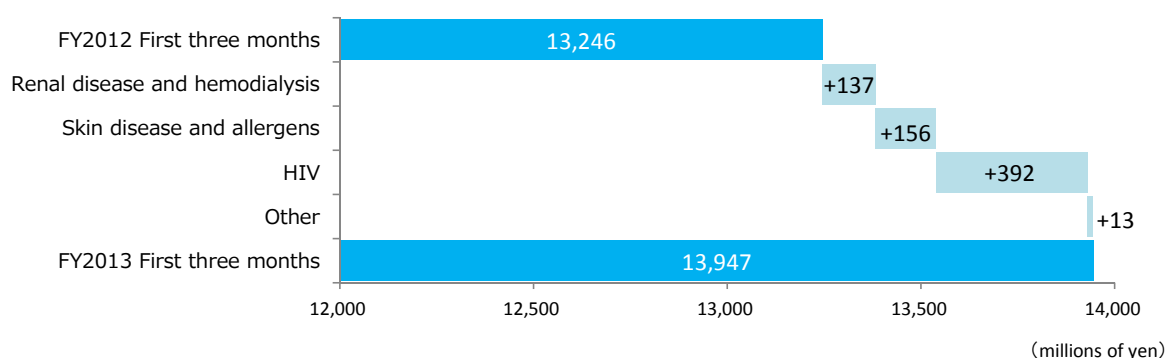
※ For details, please refer to page 4.

(Reference) Ratio to net sales

<i>(%)</i>	FY2012 First three months <i>A</i>	FY2013 First three months <i>B</i>	Change <i>B-A</i>
Cost of sales	43.1	44.2	1.1
SG&A	48.4	46.3	△2.1
R&D expenses	14.0	11.9	△2.1
Operating income	8.5	9.5	1.0
Ordinary income	9.2	9.8	0.6
Net income	5.2	5.8	0.6

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

Net Sales (¥ 13,947 million : Increase ¥ 700 million year-on-year)

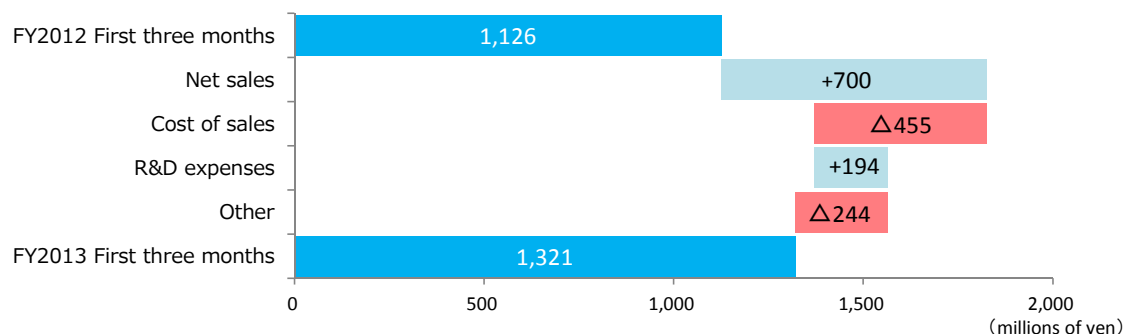


Major factors in increase/decrease

Renal disease and hemodialysis	: REMITCH	Increase ¥ 325million
	FUTHAN	Decrease ¥ 152million
	URINORM	Decrease ¥ 118million
Skin disease and allergens	: ANTEBATE	Increase ¥ 120million
HIV	: Truvada	Increase ¥ 298million
	Stribild	Increase ¥ 118million

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

Operating income (¥ 1,321 million : Increase ¥ 194 million year-on-year)



Major factors in increase/decrease

Cost of sales	: Increase in net sales and changes in sales mix among the products
R&D expenses	: Decrease in clinical test expenses
Other	: Increase in salaries and allowances, and sales promotion expenses

Ordinary income (¥ 1,369 million : Increase ¥ 146 million year-on-year)

Special remarks: None

Net income (¥ 815 million : Increase ¥ 128 million year-on-year)

Special remarks: None

② Sales of Products

<i>(Millions of Yen)</i>	FY2012 First three months A	FY2013 First three months B	Change B-A	Change (%) (B-A)/A
Sales of Products	13,189	13,891	701	5.3
REMITCH Oral anti-pruritus agent [Renal disease and hemodialysis]	2,972	3,297	325	10.9
Truvada Antiviral agent for HIV [HIV]	2,849	3,148	298	10.5
ANTEBATE ※1 Topical corticosteroid [Skin disease and allergens]	1,745	1,866	120	6.9
FUTHAN ※1 Protease inhibitor [Renal disease and hemodialysis]	1,131	978	△152	△13.5
URINORM ※1 Uricosuric agent [Renal disease and hemodialysis]	762	643	△118	△15.6
KAYEXALATE ※1 Agent for hyperkalemia [Renal disease and hemodialysis]	478	561	83	17.6
Dovonex Topical agent for psoriasis vulgaris [Skin disease and allergens]	523	501	△21	△4.2
BIO-THREE Viable bacterial preparations [Other]	459	498	38	8.5
ZEFNART Topical antifungal agent [Skin disease and allergens]	406	434	27	6.8
LOCOID ※1 Topical corticosteroid [Skin disease and allergens]	376	391	15	4.0
Magsent Tocolysis in threatened premature labor Eclampsia-suppressing and treatment [Other]	322	316	△6	△2.0
Stribild ※2 Antiviral agent for HIV [HIV]	—	118	118	—
Other	1,160	1,133	△26	△2.3

※1 In-house products

※2 Launched on May 14, 2013

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

<i>(Millions of Yen)</i>	FY2012 First three months A	FY2013 First three months B	Change B-A	Change (%) (B-A)/A
Sales of in-house products	5,005	4,983	△21	△0.4
Ratio of in-house product sales (%)	37.9	35.9	△ 2.0	—

③ Non-consolidated Balance Sheet

<i>(Millions of Yen)</i>	March 31, 2013 A	June 30, 2013 B	Change B-A	Change (%) (B-A)/A	Component ratio (%) (June 30, 2013)
Current assets	71,492	68,473	△3,019	△4.2	77.7
Cash and deposits	5,903	1,745	△4,158		
Deposits in the cash management system	6,324	10,237	3,913		
Notes and accounts receivable-trade	20,248	20,791	543		
Short-term investment securities	29,197	25,602	△3,594		
Inventories	7,530	8,028	498		
Other	2,288	2,067	△221		
Noncurrent assets	19,857	19,621	△236	△1.2	22.3
Property, plant and equipment	5,652	5,639	△12		
Intangible assets	639	616	△22		
Investments and other assets	13,566	13,365	△201		
Investment securities	5,379	5,346	△33		
Long-term prepaid expenses	6,187	6,011	△175		
Other	1,999	2,007	7		
Total assets	91,350	88,095	△3,255	△3.6	100.0
Current liabilities	13,969	10,493	△3,475	△24.9	11.9
Accounts payable-trade	5,674	6,132	458		
Accounts payable-other	5,280	1,985	△3,295		
Income taxes payable	713	576	△136		
Accrued employees' bonuses	1,210	641	△569		
Other	1,090	1,159	68		
Long-term liabilities	680	666	△13	△2.0	0.8
Total liabilities	14,650	11,160	△3,489	△23.8	12.7
Shareholders' equity	76,341	76,591	249	0.3	86.9
Unrealized gain on available-for-sale securities	358	342	△16	△4.5	0.4
Total equity	76,700	76,934	233	0.3	87.3
Total liabilities and equity	91,350	88,095	△3,255	△3.6	100.0

Major factors in increase/decrease

(Current assets)

- Notes and accounts receivable-trade : Increase by increase in sales
- Short-term investment securities : Decrease by redemption of certificates of deposit and debt securities
- Inventories : Increase in inventories of products

(Current liabilities)

- Accounts payable-trade : Increase by increase in purchasing products
- Accounts payable-other : Decrease by upfront payment of acquisition of marketing rights for a "Stribild® Combination Tablets"
- Accrued employees' bonuses : Decrease by payment of bonuses

④ Capital Expenditures

(Millions of Yen)	FY2012	FY2013	Change	Change (%)
	First three months A	First three months B		
Capital expenditures	495	201	△293	△59.4
PP&E	462	173	△288	△62.4
Intangible assets	32	27	△5	△17.1

Descriptions of capital expenditures

PP&E : Investment mainly in manufacturing facilities to commercialize allergen related products
 Intangible assets : Investment mainly in software aiming to streamline operations

⑤ Depreciation/Amortization

(Millions of Yen)	FY2012	FY2013	Change	Change (%)
	First three months A	First three months B		
Depreciation	248	235	△13	△5.3
Amortization of long-term prepaid expenses	149	192	42	28.6

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
TO-205	Diagnostic product against house dust mite allergy	Skin prick test solution			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 FY2013

※No modification has been made since "Financial Results for the Fiscal Year 2012, Ended March 31, 2013" was announced on April 25, 2013.

① Non-consolidated Statement of Income

(Millions of Yen)	FY2012	FY2013 forecast	Change	Change (%)
	A	B	B-A	(B-A)/A
Net sales	52,294	55,500	3,205	6.1
Sales of products ※	52,067	55,280	3,212	6.2
Renal disease and hemodialysis	21,373	22,580	1,206	5.6
Skin disease and allergens	11,942	12,670	727	6.1
HIV	12,073	13,560	1,486	12.3
Other	6,678	6,470	△208	△3.1
Rent income of real estate	226	220	△6	△3.1
Cost of sales	22,841	24,800	1,958	8.6
Gross profit	29,452	30,700	1,247	4.2
SG&A	26,658	28,000	1,341	5.0
R&D expenses	7,824	7,200	△624	△8.0
Other	18,834	20,800	1,965	10.4
Operating income	2,794	2,700	△94	△3.4
Ordinary income	2,952	2,800	△152	△5.2
Net income	1,849	1,700	△149	△8.1

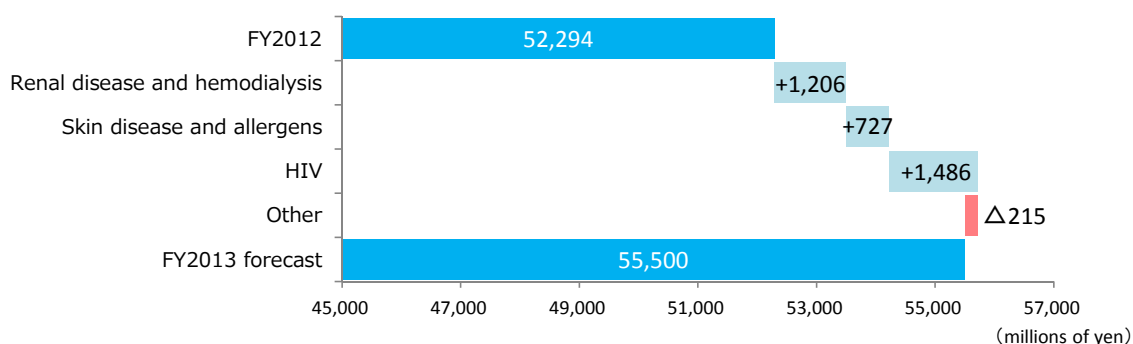
※ For details, please refer to page 9.

(Reference) Ratio to net sales

(%)	FY2012	FY2013 forecast	Change
	A	B	B-A
Cost of sales	43.7	44.7	1.0
SG&A	51.0	50.4	△0.6
R&D expenses	15.0	13.0	△2.0
Operating income	5.3	4.9	△0.4
Ordinary income	5.6	5.0	△0.6
Net income	3.5	3.1	△0.4

[Factors in increase/decrease compared with the FY2012]

Net sales (¥55,500 million : Increase ¥3,205 million year-on-year)

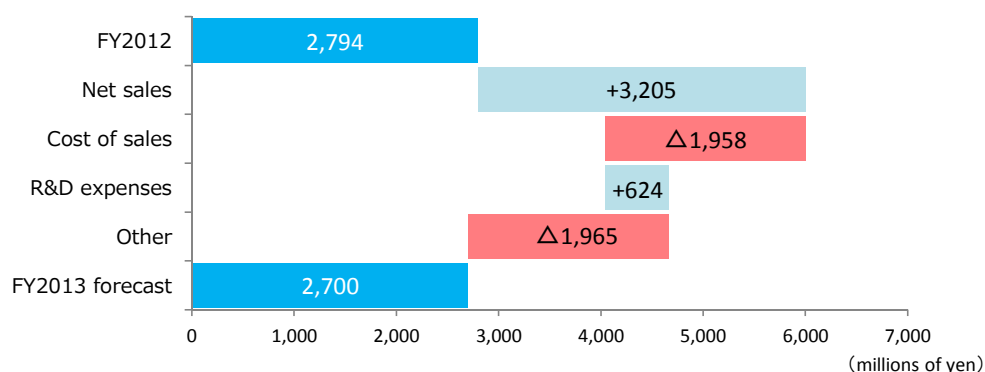


Major factors in increase/decrease

Renal disease and hemodialysis	: REMITCH	Increase ¥1,493million
	: URINORM	Decrease ¥451million
HIV	: Stribild	Increase ¥1,740million

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

Operating income (¥2,700 million : Decrease ¥94 million year-on-year)



Major factors in increase/decrease

Cost of sales	: Increase in net sales and changes in sales mix among the products
R&D expenses	: Decrease in clinical study expenses
Other	: Increase in sales promotion expenses

Ordinary income (¥2,800 million : Decrease ¥152 million year-on-year)

Special remarks: None

Net income (¥1,700 million : Decrease ¥149 million year-on-year)

Special remarks: None

② Sales of Products

<i>(Millions of Yen)</i>	FY2012	FY2013 forecast	Change	Change (%)
	A	B	B-A	(B-A)/A
Sales of Products	52,067	55,280	3,212	6.2
REMITCH Oral anti-pruritus agent [Renal disease and hemodialysis]	12,106	13,600	1,493	12.3
Truvada Antiviral agent for HIV [HIV]	11,594	11,400	△194	△1.7
ANTEBATE ※1 Topical corticosteroid [Skin disease and allergens]	6,766	7,090	323	4.8
FUTHAN ※1 Protease inhibitor [Renal disease and hemodialysis]	4,533	4,340	△193	△4.3
KAYEXALATE ※1 Agent for hyperkalemia [Renal disease and hemodialysis]	1,982	2,340	357	18.0
URINORM ※1 Uricosuric agent [Renal disease and hemodialysis]	2,751	2,300	△451	△16.4
BIO-THREE Viable bacterial preparations [Other]	1,886	2,030	143	7.6
Dovonex Topical agent for psoriasis vulgaris [Skin disease and allergens]	1,892	1,950	57	3.0
Stribild ※2 Antiviral agent for HIV [HIV]	–	1,740	1,740	–
ZEFNART Topical antifungal agent [Skin disease and allergens]	1,505	1,510	4	0.3
Magsent Tocolysis in threatened premature labor Eclampsia-suppressing and treatment [Other]	1,270	1,370	99	7.8
LOCOID ※1 Topical corticosteroid [Skin disease and allergens]	1,350	1,360	9	0.7
Other	4,428	4,250	△178	△4.0

※1 In-house products

※2 Launched on May 14, 2013

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

<i>(Millions of Yen)</i>	FY2012	FY2013 forecast	Change	Change (%)
	A	B	B-A	(B-A)/A
Sales of in-house products	19,380	19,700	319	1.6
Ratio of in-house product sales (%)	37.2	35.6	△1.6	–

③ Capital Expenditures

<i>(Millions of Yen)</i>	FY2012	FY2013 forecast	Change	Change (%)
	A	B	B-A	(B-A)/A
Capital expenditures	1,374	957	△417	△30.4
PP&E	1,241	748	△493	△39.8
Intangible assets	132	209	76	57.6

④ Depreciation

<i>(Millions of Yen)</i>	FY2012	FY2013 forecast	Change	Change (%)
	A	B	B-A	(B-A)/A
Depreciation	1,061	1,164	102	9.6

⑤ Dividends

	FY2012	FY2013 forecast	Change	Change (%)
	A	B	B-A	(B-A)/A
Dividends per share (¥)	40	40	0	0.0
Dividends payout ratio (%)	61.2	66.6	5.4	—

【Important notes on forward-looking statements】

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 Revisions
- ◇Adverse Drug Reactions
- ◇Delay or Discontinuance of Research and Development
- ◇Stoppage of Product Supply
- ◇Litigation Risk