

Financial Results for the First Six Months of Fiscal Year Ending December 2014

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

October 30, 2014



TORII PHARMACEUTICAL CO., LTD.

I Summary Information

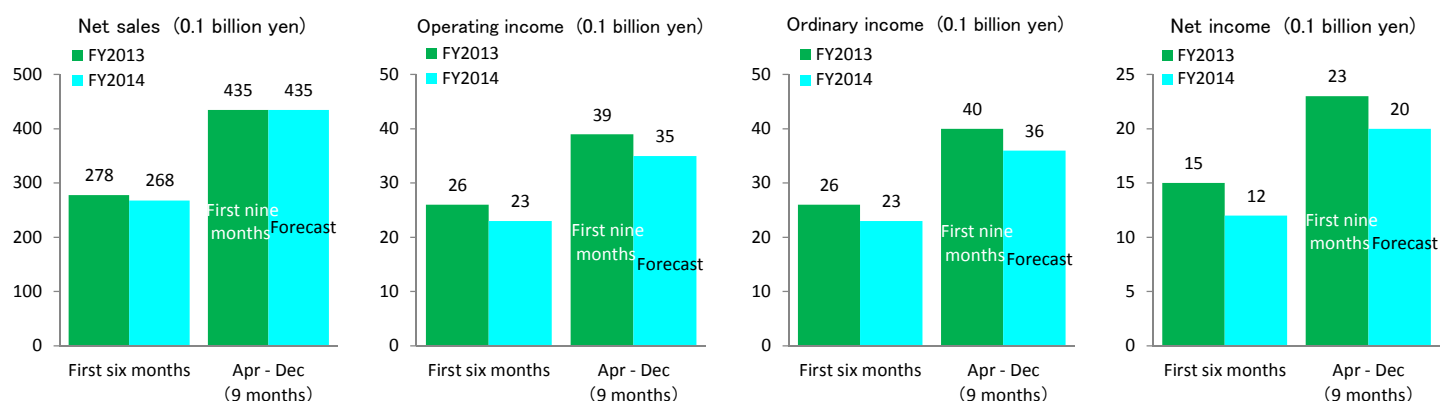
① Financial Results

(Millions of Yen)	FY2013		FY2014		Change B-A	Change (%) (B-A)/A	FY2013		FY2014		Progress ratio (%) B/C
	First six months A	First six months B	First nine months	revised forecast C							
Net sales	27,858	26,856	43,524	43,500	△1,001	△3.6					61.7
Operating income	2,601	2,319	3,986	3,500	△282	△10.9					66.3
Ordinary income	2,684	2,381	4,098	3,600	△303	△11.3					66.1
Net income	1,562	1,241	2,378	2,000	△321	△20.6					62.1

※Torii has changed the closing date of the accounting period from March 31 to December 31 since FY2014. FY2014, a transitional period for the change in accounting period, will cover nine months from April to December 2014. The revised forecast as of October 30 is presented in the table. For reference, results of FY2013 First nine months is presented.

(Reference)

R&D expenses		3,252	2,254	△997	△30.7	5,184	3,510	64.2
Earnings per share (EPS) (¥)		55.22	43.85	△11.37		84.03	70.67	
Return on equity (ROE) (%)		2.0	1.6	△0.4		3.1	—	
Ratio of ordinary income to total assets (%)		3.0	2.6	△0.4		4.5	—	
Ratio of operating income to net sales (%)		9.3	8.6	△0.7		9.2	—	
Return on assets (ROA) (%)		1.7	1.3	△0.4		2.6	—	



② Financial Conditions

(Millions of Yen)	March 31, 2014 A	September 30, 2014 B	Change B-A	Change (%) (B-A)/A
Total assets	93,137	92,737	△399	△0.4
Total equity	79,018	79,597	578	0.7
Equity ratio (%)	84.8	85.8	1.0	
Book value per share (BPS) (¥)	2,792.14	2,812.61	20.47	

II Financial Results for the First Six Months of FY2014

① Non-consolidated Statement of Income

(Millions of Yen)	FY2013		FY2014		Change B-A	Change (%) (B-A)/A
	First six months		First six months			
	A	B	A	B		
Net sales	27,858	26,856	27,858	26,856	△1,001	△3.6
Sales of products ※	27,745	26,742	27,745	26,742	△1,002	△3.6
Renal disease and hemodialysis	11,185	11,006	11,185	11,006	△179	△1.6
Skin disease and allergens	6,466	5,832	6,466	5,832	△634	△9.8
HIV	6,729	6,853	6,729	6,853	124	1.9
Other	3,364	3,050	3,364	3,050	△314	△9.3
Rent income of real estate	112	113	112	113	0	0.9
Cost of sales	12,174	12,434	12,174	12,434	260	2.1
Cost of products sold	12,145	12,405	12,145	12,405	260	2.1
Cost of real estate rent	29	29	29	29	0	0.6
Gross profit	15,683	14,421	15,683	14,421	△1,262	△8.0
Selling, general and administrative expenses	13,082	12,102	13,082	12,102	△979	△7.5
R&D expenses	3,252	2,254	3,252	2,254	△997	△30.7
Other	9,829	9,848	9,829	9,848	18	0.2
Operating income	2,601	2,319	2,601	2,319	△282	△10.9
Non-operating income	92	65	92	65	△27	—
Non-operating expenses	9	2	9	2	△6	—
Ordinary income	2,684	2,381	2,684	2,381	△303	△11.3
Extraordinary loss	2	360	2	360	357	—
Income before income taxes	2,681	2,021	2,681	2,021	△660	△24.6
Income taxes	1,118	780	1,118	780	△338	△30.2
Net income	1,562	1,241	1,562	1,241	△321	△20.6

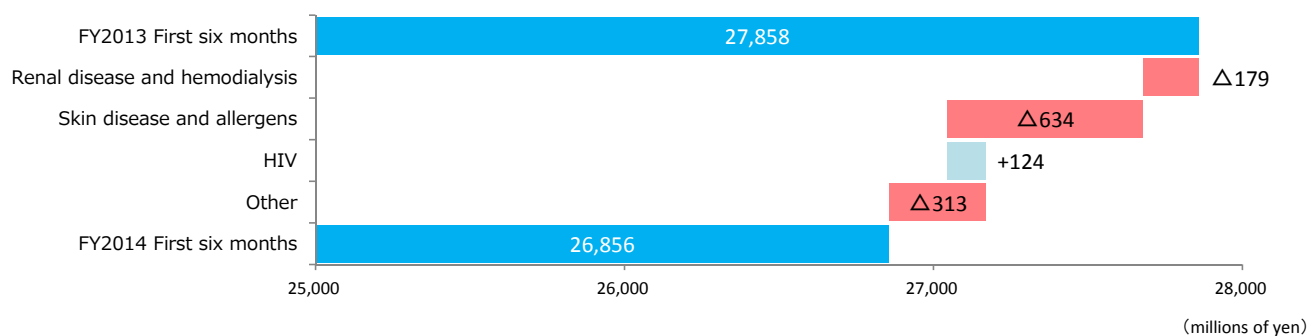
※ For details, please refer to page 4.

(Reference) Ratio to net sales

(%)	FY2013		FY2014		Change B-A
	First six months		First six months		
	A	B	A	B	
Cost of sales	43.7	46.3	43.7	46.3	2.6
SG&A	47.0	45.1	47.0	45.1	△1.9
R&D expenses	11.7	8.4	11.7	8.4	△3.3
Operating income	9.3	8.6	9.3	8.6	△0.7
Ordinary income	9.6	8.9	9.6	8.9	△0.7
Net income	5.6	4.6	5.6	4.6	△1.0

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

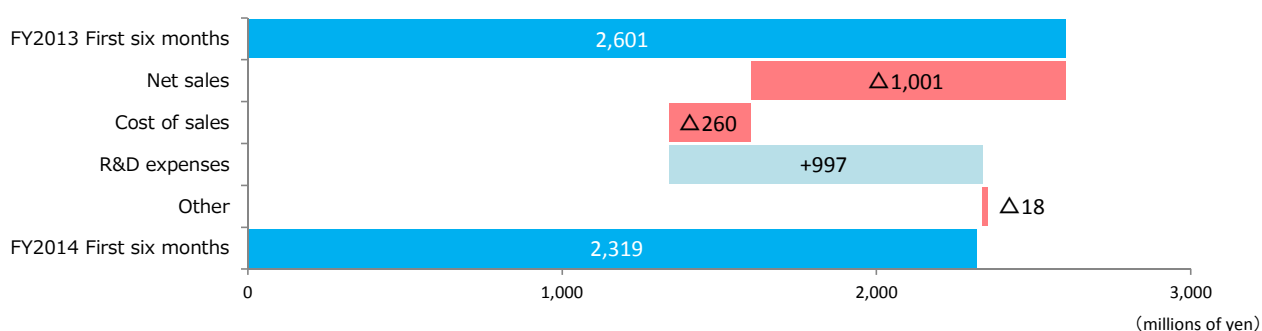
Net Sales (¥26,856 million : Decrease ¥1,001 million year-on-year)



Major factors in increase/decrease			
Renal disease and hemodialysis	: REMITCH	Decrease ¥455million	URINORM Decrease ¥320million
	: FUTHAN	Decrease ¥289million	Riona Increase ¥896million
Skin disease and allergens	: ANTEBATE	Decrease ¥285million	
HIV	: Stribild	Increase ¥836million	Truvada Decrease ¥667million

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

Operating income (¥2,319 million : Decrease ¥282 million year-on-year)



Major factors in increase/decrease	
Cost of sales	: Changes in sales mix among the products
R&D expenses	: Decrease in clinical study expenses (TO-203)

Ordinary income (¥2,381 million : Decrease ¥303 million year-on-year)

Special remarks: None

Net income (¥1,241 million : Decrease ¥321 million year-on-year)

FY2014 Loss on retirement of noncurrent assets ¥360 million

② Sales of Products

(Millions of Yen)	FY2013		FY2014		Change B-A	Change (%) (B-A)/A
	First six months A	First six months B	First six months B	First six months A		
Sales of Products	27,745	26,742	26,742	27,745	△1,002	△3.6
REMITCH Oral anti-pruritus agent [Renal disease and hemodialysis]	6,753	6,297	6,297	6,753	△455	△6.7
Truvada Antiviral agent for HIV [HIV]	6,206	5,538	5,538	6,206	△667	△10.8
ANTEBATE ※1 Topical corticosteroid [Skin disease and allergens]	3,655	3,369	3,369	3,655	△285	△7.8
FUTHAN ※1 Protease inhibitor [Renal disease and hemodialysis]	2,037	1,747	1,747	2,037	△289	△14.2
Stribild ※2 Antiviral agent for HIV [HIV]	313	1,149	1,149	313	836	267.3
KAYEXALATE ※1 Agent for hyperkalemia [Renal disease and hemodialysis]	1,134	1,123	1,123	1,134	△11	△1.0
BIO-THREE Viable bacterial preparations [Other]	993	1,022	1,022	993	28	2.9
URINORM ※1 Uricosuric agent [Renal disease and hemodialysis]	1,261	941	941	1,261	△320	△25.4
Riona ※3 Agent for hyperphosphatemia [Renal disease and hemodialysis]	–	896	896	–	896	–
ZEFNART Topical antifungal agent [Skin disease and allergens]	952	825	825	952	△127	△13.4
Dovonex Topical agent for psoriasis vulgaris [Skin disease and allergens]	934	792	792	934	△142	△15.2
LOCOID ※1 Topical corticosteroid [Skin disease and allergens]	714	668	668	714	△45	△6.4
Magsent Tocolysis in threatened premature labor Eclampsia-suppressing and treatment [Other]	637	592	592	637	△44	△7.0
Other	2,152	1,777	1,777	2,152	△374	△17.4

※1 In-house products

※2 Launched on May 14, 2013

※3 Launched on May 12, 2014

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

(Millions of Yen)	FY2013		FY2014		Change B-A	Change (%) (B-A)/A
	First six months A	First six months B	First six months B	First six months A		
Sales of in-house products	9,828	8,736	8,736	9,828	△1,091	△11.1
Ratio of in-house product sales (%)	35.4	32.7	32.7	35.4	△2.7	–

③ Non-consolidated Balance Sheet

(Millions of Yen)	March 31,	September 30,	Change	Change	Component
	2014	2014			
	A	B	B-A	(B-A)/A	(Sep 30, 2014)
Current assets	72,466	71,500	△966	△1.3	77.1
Cash and deposits	406	493	86		
Deposits in the cash management system	20,708	29,411	8,702		
Notes and accounts receivable-trade	24,167	22,193	△1,973		
Short-term investment securities	16,804	6,111	△10,692		
Inventories	8,029	10,885	2,856		
Other	2,350	2,404	53		
Noncurrent assets	20,671	21,237	566	2.7	22.9
Property, plant and equipment	5,774	6,028	253		
Intangible assets	622	716	94		
Investments and other assets	14,273	14,492	218		
Investment securities	6,708	7,349	640		
Long-term prepaid expenses	5,920	5,514	△405		
Other	1,644	1,628	△16		
Total assets	93,137	92,737	△399	△0.4	100.0
Current liabilities	13,337	12,048	△1,288	△9.7	13.0
Accounts payable-trade	6,382	7,151	768		
Accounts payable-other	2,998	1,539	△1,459		
Income taxes payable	1,202	838	△364		
Accrued employees' bonuses	1,345	1,295	△50		
Other	1,407	1,224	△182		
Long-term liabilities	782	1,091	309	39.5	1.2
Total liabilities	14,119	13,140	△978	△6.9	14.2
Shareholders' equity	78,560	79,235	674	0.9	85.4
Unrealized gain on available-for-sale securities	457	362	△95	△20.9	0.4
Total equity	79,018	79,597	578	0.7	85.8
Total liabilities and equity	93,137	92,737	△399	△0.4	100.0

Major factors in increase/decrease	
(Current assets)	
Notes and accounts receivable-trade	: Decrease by Decrease in net sales (Temporary increase in demand prior to the consumption tax hikes in FY2013)
Short-term investment securities	: Decrease by redemption of money trust
Inventories	: Increase in inventories of products
(Noncurrent assets)	
Investment securities	: Increase by acquisition of debt securities and decrease by transfer to short-term investment securities
(Current liabilities)	
Accounts payable-trade	: Increase by increase in purchasing products
(Equity)	
Shareholders' equity	: Increase in net income and decrease by payment of dividends

④ Non-consolidated Statement of Cash Flows

(Millions of Yen)	FY2013		FY2014	Change
	First six months		First six months	
	A		B	B-A
Income before income taxes	2,681		2,021	△660
Depreciation and amortization	506		573	66
Decrease (Increase) in trade notes and accounts receivable-trade	△1,124		1,973	3,098
Increase in inventories	△679		△2,856	△2,176
Increase (Decrease) in trade notes and accounts payable-trade	△210		768	979
Decrease in accounts payable-other	△3,192		△1,496	1,695
Decrease in long-term prepaid expenses	382		405	23
Income taxes paid	△671		△1,134	△463
Other-net	374		25	△348
Net cash provided by (used in) operating activities	△1,933		281	2,214
Purchases of property, plant and equipment	△277		△468	△190
Purchases of intangible assets	△49		△166	△116
Other-net	19,200		△1,615	△20,816
Net cash used in (provided by) investing activities	18,873		△2,250	△21,123
Net cash used in financing activities	△645		△741	△95
Net Decrease (Increase) in cash and cash equivalents	16,294		△2,710	△19,004
Cash and cash equivalents, beginning of period	17,228		33,414	16,186
Cash and cash equivalents, end of period	33,522		30,704	△2,818

(※) Cash and cash equivalents consist of cash on hand and in banks without time deposits with maturities more than three months, deposits in the cash management system and marketable securities of which the period from the date of acquisition to the date of redemption is not more than three months.

Major factors in increase/decrease		
(Operating activities)		
Decrease (Increase) in trade notes and accounts receivable-trade	: FY2014	Decrease in net sales
Increase in inventories	: FY2014	Increase in inventories of products
Decrease in accounts payable-other	: FY2013	Upfront payment of acquisition of marketing rights for a "Stribild® Combination Tablets"
(Investing activities)		
Other-net	: FY2013	Redemption of securities

⑤ Capital Expenditures

(Millions of Yen)	FY2013	FY2014	Change	Change (%)
	First six months	First six months		
	A	B	B-A	(B-A)/A
Capital expenditures	747	1,282	535	71.6
PP&E	699	1,084	384	55.0
Intangible assets	47	198	150	315.2

Descriptions of capital expenditures

PP&E : Investment mainly in manufacturing facilities aiming to improve productivity
 Intangible assets : Investment in software aiming to streamline operations

⑥ Depreciation/Amortization

(Millions of Yen)	FY2013	FY2014	Change	Change (%)
	First six months	First six months		
	A	B	B-A	(B-A)/A
Depreciation	506	573	66	13.2
Amortization of long-term prepaid expenses	409	470	60	14.7

⑦ Research and Development

Development code [Product Name]	Indication	Formulation/ Route of administration	Development stage (domestic)					Remarks
			Phase I	Phase II	Phase III	Application	Approval	
Skin disease and allergens								
TO-203	House dust mite induced allergic asthma and rhinitis (Allergen Immunotherapy)	Sublingual tablet				Application preparing (rhinitis)	<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 (Allergen Immunotherapy)	Injection				Application	<ul style="list-style-type: none"> ·Licensing agreement signed with ALK for providing exclusive development and sales rights in Japan ·In-house ·NDA filing by Torii on December 24, 2013 	
TO-205	Diagnostic product against house dust mite allergy	Skin prick test solution				Application	<ul style="list-style-type: none"> ·Licensing agreement signed with ALK for providing exclusive development and sales rights in Japan ·In-house ·NDA filing by Torii on December 24, 2013 	
TO-206	Japanese cedar pollinosis (Allergen Immunotherapy)	Sublingual tablet		Phase II/III			·In-house	
JTE-350	Diagnostic product [Histamine Dihydrochloride]	Positive control solution in the skin prick test				Application preparing	<ul style="list-style-type: none"> ·Licensing agreement signed with ALK for providing exclusive development and sales rights in Japan ·Co-development with JT 	

※ This drug is one of the medical products publicly offered for a development company by the Study Group on Unapproved and Off-label Drugs of High Medical Need, set up by the Ministry of Health, Labour and Welfare

Updates since the previous announcement on July 30, 2014

·The TO-194SL[CEDARTOLEN® SUBLINGUAL DROP - Japanese Cedar Pollen] launched on October 8, 2014.

(previous announcement : Development stage[Approval])

·TO-206 advanced from Phase I to Phase II/III clinical trial

【Reference】 9 months information

※Torii has changed the closing date of the accounting period from March 31 to December 31 since FY2014.
For reference, 9 months financial figures from Jan to Sep 2013 and those of 2014 figures are presented in the following table. The calculation method is also explained below.

① Non-consolidated Statement of Income

(Millions of Yen)	2013	2014	Change B-A	Change (%) (B-A)/A
	Jan - Sep A	Jan - Sep B		
Net sales	39,625	41,441	1,816	4.6
Sales of products ※	39,456	41,272	1,816	4.6
Renal disease and hemodialysis	15,936	17,136	1,200	7.5
Skin disease and allergens	9,142	8,683	△459	△5.0
HIV	9,581	10,959	1,377	14.4
Other	4,795	4,492	△302	△6.3
Rent income of real estate	168	168	0	0.0
Cost of sales	17,444	19,243	1,799	10.3
Gross profit	22,181	22,197	16	0.1
SG&A	19,944	18,877	△1,067	△5.4
R&D expenses	5,238	3,732	△1,505	△28.7
Other	14,706	15,144	438	3.0
Operating income	2,236	3,320	1,084	48.5
Ordinary income	2,324	3,407	1,083	46.6
Net income	1,520	2,215	695	45.8

※ For details, please refer to page 9.

Ratio to net sales

(%)	2013	2014	Change B-A
	Jan - Sep A	Jan - Sep B	
Cost of sales	44.0	46.4	2.4
SG&A	50.4	45.6	△4.8
R&D expenses	13.2	9.0	△4.2
Operating income	5.6	8.0	2.4
Ordinary income	5.9	8.2	2.3
Net income	3.8	5.3	1.5

<9 months calculation method>

※Figures of Jan - Sep 2013

Jan - Mar 2013 (FY2012 (12 months) – FY2012 First nine months (9 months))
+ Apr - Sep 2013 (FY2013 First six months)

※Figures of Jan - Sep 2014

Jan - Mar 2014 (FY2013 (12 months) – FY2013 First nine months (9 months))
+ Apr - Sep 2014 (FY2014 First six months)

② Sales of Products

<i>(Millions of Yen)</i>	2013	2014	Change	Change
	Jan - Sep	Jan - Sep		(%)
	A	B	B-A	(B-A)/A
Sales of Products	39,456	41,272	1,816	4.6
REMITCH Oral anti-pruritus agent [Renal disease and hemodialysis]	9,555	10,704	1,148	12.0
Truvada Antiviral agent for HIV [HIV]	8,956	9,026	70	0.8
ANTEBATE ※1 Topical corticosteroid [Skin disease and allergens]	5,231	4,976	△254	△4.9
FUTHAN ※1 Protease inhibitor [Renal disease and hemodialysis]	2,949	2,479	△470	△15.9
Stribild ※2 Antiviral agent for HIV [HIV]	313	1,673	1,360	434.7
KAYEXALATE ※1 Agent for hyperkalemia [Renal disease and hemodialysis]	1,604	1,638	33	2.1
BIO-THREE Viable bacterial preparations [Other]	1,442	1,525	83	5.8
URINORM ※1 Uricosuric agent [Renal disease and hemodialysis]	1,825	1,416	△409	△22.4
Dovonex Topical agent for psoriasis vulgaris [Skin disease and allergens]	1,362	1,272	△90	△6.6
ZEFNART Topical antifungal agent [Skin disease and allergens]	1,185	1,130	△55	△4.7
LOCOID ※1 Topical corticosteroid [Skin disease and allergens]	1,034	994	△39	△3.8
Riona ※3 Agent for hyperphosphatemia [Renal disease and hemodialysis]	—	896	896	—
Magsent Tocolysis in threatened premature labor Eclampsia-suppressing and treatment [Other]	868	823	△44	△5.1
Other	3,125	2,712	△413	△13.2

※1 In-house products

※2 Launched on May 14, 2013

※3 Launched on May 12, 2014

III Financial Forecasts for the FY2014

※Torii has changed the closing date of the accounting period from March 31 to December 31 since FY2014. FY2014, a transitional period for the change in accounting period, will cover nine months from April to December 2014. The revised forecast as of October 30 and previous forecast as of April 25 are presented in the table. For reference, results of FY2013 First nine months is presented.

① Non-consolidated Statement of Income

(Millions of Yen)	FY2014	FY2014	Change	FY2013	Change	Change (%)
	previous forecast	revised forecast		First nine months		
	A	B	B-A	C	B-C	(B-C)/C
Net sales	42,900	43,500	600	43,524	△24	△0.1
Sales of products ※	42,730	43,330	600	43,356	△26	△0.1
Renal disease and hemodialysis	17,430	17,900	470	17,583	316	1.8
Skin disease and allergens	9,590	9,450	△140	9,659	△209	△2.2
HIV	10,990	11,330	340	10,952	377	3.4
Other	4,720	4,650	△70	5,161	△511	△9.9
Rent income of real estate	170	170	0	168	1	1.0
Cost of sales	20,000	20,500	500	19,457	1,042	5.4
Gross profit	22,900	23,000	100	24,066	△1,066	△4.4
SG&A	20,200	19,500	△700	20,080	△580	△2.9
R&D expenses	4,350	3,510	△840	5,184	△1,674	△32.3
Other	15,850	15,990	140	14,896	1,093	7.3
Operating income	2,700	3,500	800	3,986	△486	△12.2
Ordinary income	2,800	3,600	800	4,098	△498	△12.2
Net income	1,600	2,000	400	2,378	△378	△15.9

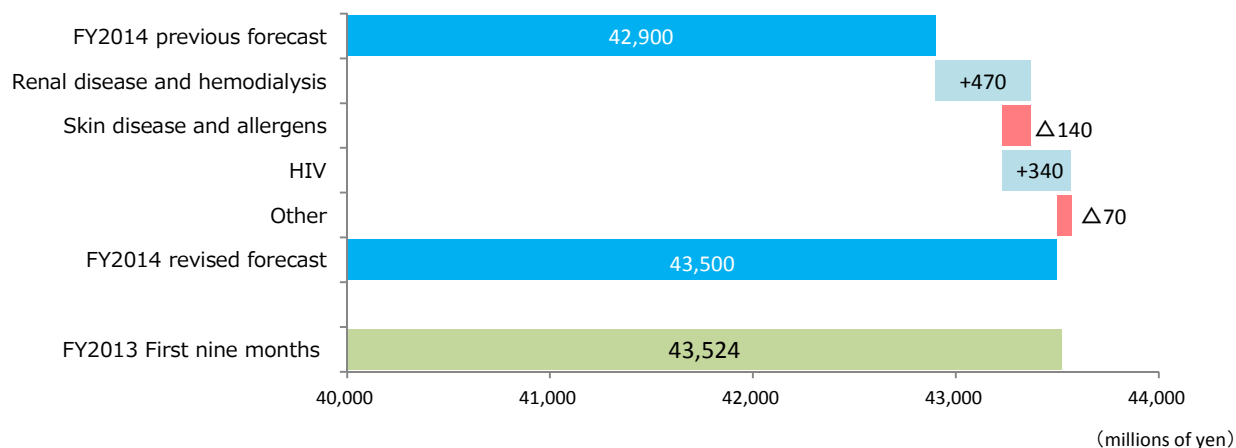
※ For details, please refer to page 10.

(Reference) Ratio to net sales

(%)	FY2014	FY2014	Change	FY2013	Change
	previous forecast	revised forecast		First nine months	
	A	B	B-A	C	B-C
Cost of sales	46.6	47.1	0.5	44.7	2.4
SG&A	47.1	44.9	△2.2	46.1	△1.2
R&D expenses	10.1	8.1	△2.0	11.9	△3.8
Operating income	6.3	8.0	1.7	9.2	△1.2
Ordinary income	6.5	8.3	1.8	9.4	△1.1
Net income	3.7	4.6	0.9	5.5	△0.9

[Factors in increase/decrease compared with the previous forecast for the FY2014]

Net Sales (¥43,500 million : Increase ¥ 600 million)



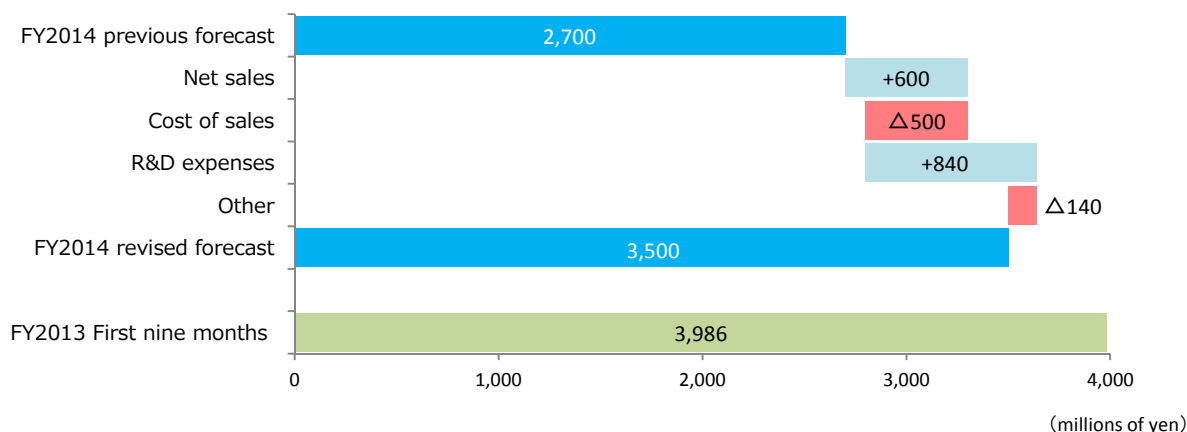
Major factors in increase/decrease

Renal disease : REMITCH Increase ¥ 330million
and hemodialysis

HIV : Truvada Increase ¥ 420million

※ For details, please refer to "② Sales of Products" in page 12.

Operating income (¥3,500 million : Increase ¥ 800 million)



Major factors in increase/decrease

Cost of sales : Increase in net sales and changes in sales mix among the products

R&D expenses : A part of the R&D program is postponed to the next term

Ordinary income (¥3,600 million : Increase ¥ 800 million)

Special remarks: None

Net income (¥2,000 million : Increase ¥ 400 million)

Loss on retirement of noncurrent assets ¥ 360 million

② Sales of Products

(Millions of Yen)	FY2014	FY2014	Change	FY2013	Change	Change (%)
	previous forecast	revised forecast		First nine months		
	A	B	B-A	C	B-C	(B-C)/C
Sales of Products	42,730	43,330	600	43,356	△26	△0.1
REMITCH	9,900	10,230	330	10,612	△382	△3.6
Oral anti-pruritus agent [Renal disease and hemodialysis]						
Truvada	8,800	9,220	420	9,940	△720	△7.3
Antiviral agent for HIV [HIV]						
ANTEBATE ※1	5,120	5,030	△90	5,535	△505	△9.1
Topical corticosteroid [Skin disease and allergens]						
FUTHAN ※1	2,770	2,930	160	3,288	△358	△10.9
Protease inhibitor [Renal disease and hemodialysis]						
Stribild ※2	1,960	1,880	△80	696	1,183	170.0
Antiviral agent for HIV [HIV]						
KAYEXALATE ※1	1,800	1,780	△20	1,762	17	1.0
Agent for hyperkalemia [Renal disease and hemodialysis]						
BIO-THREE	1,700	1,650	△50	1,563	86	5.6
Viable bacterial preparations [Other]						
Riona ※3	1,500	1,530	30	–	1,530	–
Agent for hyperphosphatemia [Renal disease and hemodialysis]						
URINORM ※1	1,460	1,430	△30	1,919	△489	△25.5
Uricosuric agent [Renal disease and hemodialysis]						
Dovonex	1,320	1,240	△80	1,426	△186	△13.1
Topical agent for psoriasis vulgaris [Skin disease and allergens]						
ZEFNART	1,300	1,170	△130	1,309	△139	△10.6
Topical antifungal agent [Skin disease and allergens]						
LOCOID ※1	1,000	990	△10	1,064	△74	△7.0
Topical corticosteroid [Skin disease and allergens]						
Magsent	1,030	940	△90	1,018	△78	△7.7
Tocolysis in threatened premature labor Eclampsia-suppressing and treatment [Other]						
Other	3,070	3,310	240	3,218	91	2.9

※1 In-house products

※2 Launched on May 14, 2013

※3 Launched on May 12, 2014

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

(Millions of Yen)	FY2014	FY2014	Change	FY2013	Change	Change (%)
	previous forecast	revised forecast		First nine months		
	A	B	B-A	C	B-C	(B-C)/C
Sales of in-house products	14,080	14,160	80	15,124	△964	△6.4
Ratio of in-house product sales (%)	33.0	32.7	△0.3	34.9	△2.2	–

③ Capital Expenditures

(Millions of Yen)	FY2014 previous forecast A	FY2014 revised forecast B	Change B-A	FY2013 First nine months C	Change B-C	Change (%) (B-C)/C
Capital expenditures	1,579	1,509	△70	990	518	52.3
PP&E	997	1,190	193	888	301	34.0
Intangible assets	582	319	△263	102	216	211.1

Descriptions of capital expenditures

PP&E : Investment mainly in manufacturing facilities aiming to improve productivity
 Intangible assets : Investment in software aiming to streamline operations

④ Depreciation/Amortization

(Millions of Yen)	FY2014 previous forecast A	FY2014 revised forecast B	Change B-A	FY2013 First nine months C	Change B-C	Change (%) (B-C)/C
Depreciation	935	922	△13	795	126	15.9
Amortization of long-term prepaid expenses	654	654	0	627	26	4.2

⑤ Dividends

	FY2014 previous forecast A	FY2014 revised forecast B	Change B-A	FY2013 Full year C	Change B-C	Change (%) (B-C)/C
Dividends per share ※ (¥)	40	40	0	40	0	0.0
Dividends payout ratio (%)	70.8	56.6	△14.2	33.8	22.8	-

※ On October 30, 2014, the Board of Directors resolved to pay an interim dividend of 20 yen per share for the FY2014.

【Reference】 12 months information

※"2014 Jan - Dec forecast" is made based on the figures of "FY2014 revised forecast" on page 10.

① Non-consolidated Statement of Income

(Millions of Yen)	2013	2014	Change	Change (%)
	Jan - Dec	Jan - Dec		
	A	forecast B		
		B-A	(B-A)/A	
Net sales	55,291	58,085	2,793	5.1
Sales of products ※	55,067	57,859	2,792	5.1
Renal disease and hemodialysis	22,333	24,030	1,696	7.6
Skin disease and allergens	12,336	12,301	△35	△0.3
HIV	13,804	15,436	1,631	11.8
Other	6,592	6,092	△499	△7.6
Rent income of real estate	224	225	0	0.3
Cost of sales	24,727	27,309	2,581	10.4
Gross profit	30,564	30,775	211	0.7
SG&A	26,942	26,274	△668	△2.5
R&D expenses	7,170	4,988	△2,182	△30.4
Other	19,772	21,286	1,513	7.7
Operating income	3,621	4,501	880	24.3
Ordinary income	3,738	4,625	887	23.7
Net income	2,335	2,974	639	27.4

※ For details, please refer to page 15.

Ratio to net sales

(%)	2013	2014	Change
	Jan - Dec	Jan - Dec	
	A	forecast B	
		B-A	
Cost of sales	44.7	47.0	2.3
SG&A	48.7	45.3	△3.4
R&D expenses	13.0	8.6	△4.4
Operating income	6.5	7.7	1.2
Ordinary income	6.8	8.0	1.2
Net income	4.2	5.1	0.9

Change to an Outline of Medium-Term Management Plan

(Millions of Yen)	2013	2014	Target
	Jan - Dec	Jan - Dec	FY2015
		forecast	Jan - Dec
Net sales	55,291	58,085	63,000
Operating income	3,621	4,501	5,500
Net income	2,335	2,974	3,500

※Torii has changed the closing date of the accounting period from March 31 to December 31, by having been approved of partial amendment to Articles by #122 shareholders meeting on June 25, 2014. Target Figures of FY2015 does not change from those announced on April 25, 2013.

〈12 months calculation method〉

※Figures of Jan - Dec 2013

Jan - Mar 2013 (FY2012 (12 months) – FY2012 First nine months (9 months))
+ Apr - Dec 2013 (FY2013 First nine months)

※Figures of Jan - Dec 2014

Jan - Mar 2014 (FY2013 (12 months) – FY2013 First nine months (9 months))
+ Apr - Dec 2014 (FY2014 revised forecast)

④ Sales of Products

<i>(Millions of Yen)</i>	2013 Jan - Dec A	2014 Jan - Dec forecast B	Change B-A	Change (%) (B-A)/A
Sales of Products	55,067	57,859	2,792	5.1
REMITCH Oral anti-pruritus agent [Renal disease and hemodialysis]	13,415	14,637	1,221	9.1
Truvada Antiviral agent for HIV [HIV]	12,690	12,707	17	0.1
ANTEBATE ※1 Topical corticosteroid [Skin disease and allergens]	7,111	6,636	△474	△6.7
FUTHAN ※1 Protease inhibitor [Renal disease and hemodialysis]	4,201	3,661	△539	△12.8
Stribild ※2 Antiviral agent for HIV [HIV]	696	2,403	1,707	245.2
KAYEXALATE ※1 Agent for hyperkalemia [Renal disease and hemodialysis]	2,233	2,295	62	2.8
BIO-THREE Viable bacterial preparations [Other]	2,012	2,153	141	7.0
URINORM ※1 Uricosuric agent [Renal disease and hemodialysis]	2,483	1,905	△578	△23.3
Dovonex Topical agent for psoriasis vulgaris [Skin disease and allergens]	1,855	1,720	△134	△7.3
Riona ※3 Agent for hyperphosphatemia [Renal disease and hemodialysis]	—	1,530	1,530	—
ZEFNART Topical antifungal agent [Skin disease and allergens]	1,541	1,474	△67	△4.3
LOCOID ※1 Topical corticosteroid [Skin disease and allergens]	1,384	1,316	△68	△4.9
Magsent Tocolysis in threatened premature labor Eclampsia-suppressing and treatment [Other]	1,249	1,170	△78	△6.3
Other	4,191	4,244	53	1.3

※1 In-house products

※2 Launched on May 14, 2013

※3 Launched on May 12, 2014

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