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## Fiscal Year 2016 <br> (April 1, 2016 to March 31, 2017)

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Consolidated Financial Data

|  | $\begin{aligned} & \text { March } 14 \\ & \text { (FY2013) } \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { March } 15 \\ & \text { (FY2014) } \end{aligned}$ | $\begin{aligned} & \text { March } 16 \\ & \text { (FY2015) } \end{aligned}$ | $\begin{aligned} & \text { March } 17 \\ & \text { (FY2016) } \end{aligned}$ | (Millions of yen) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | (Est.) <br> March 18(FY2017) |  |
|  |  |  |  |  | 2Q(4-9) | Full year |
| Net sales (YOY\%) | $\begin{array}{r} \hline 295,957 \\ (+3.8 \%) \end{array}$ | $\begin{array}{r} 290,498 \\ (-1.8 \%) \\ \hline \end{array}$ | $\begin{array}{r} \hline 290,135 \\ (-0.1 \%) \\ \hline \end{array}$ | $\begin{array}{r} 279,773 \\ (-3.6 \%) \\ \hline \end{array}$ | $\begin{array}{r} 137,500 \\ (-2.5 \%) \\ \hline \end{array}$ | $\begin{array}{r} 279,000 \\ (-0.3 \%) \\ \hline \end{array}$ |
| Self-Medication operations | 181,753 | 176,295 | 180,722 | 179,992 | 89,300 | 181,300 |
| Prescription Pharmaceutical operations | 114,204 | 114,202 | 109,413 | 99,781 | 48,200 | 97,700 |
| Gross profit* | 184,693 | 178,248 | 176,813 | 178,226 | 88,400 | 180,900 |
| Selling, general and administrative expenses | 143,009 | 146,273 | 147,935 | 146,260 | 76,900 | 152,400 |
| Research and development expenses (\% Sales) | $\begin{gathered} 21,874 \\ (7.4 \%) \end{gathered}$ | $\begin{array}{r} 21,554 \\ (7.4 \%) \\ \hline \end{array}$ | $\begin{array}{r} \hline 21,768 \\ (7.5 \%) \end{array}$ | $\begin{array}{r} \hline 21,260 \\ (7.6 \%) \end{array}$ | $\begin{array}{r} 12,400 \\ (9.0 \%) \end{array}$ | $\begin{array}{r} 24,000 \\ (8.6 \%) \\ \hline \end{array}$ |
| Advertising expenses | 16,960 | 19,169 | 21,366 | 22,087 | 11,400 | 23,200 |
| Sales promotion expenses | 31,159 | 32,355 | 31,775 | 30,079 | 15,400 | 31,100 |
| Personnel expenses | 37,489 | 35,856 | 36,042 | 35,845 | 18,100 | 36,300 |
| Operating income (YOY\%) | $\begin{array}{r} \hline 41,683 \\ (+18.0 \%) \\ \hline \end{array}$ | $\begin{array}{r} 31,974 \\ (-23.3 \%) \\ \hline \end{array}$ | $\begin{aligned} & \hline 28,878 \\ & (-9.7 \%) \end{aligned}$ | $\begin{array}{r} 31,966 \\ (+10.7 \%) \\ \hline \end{array}$ | $\begin{array}{r} 11,500 \\ (-31.0 \%) \\ \hline \end{array}$ | $\begin{array}{r} \hline 28,500 \\ (-10.8 \%) \\ \hline \end{array}$ |
| Ordinary income (YOY\%) | $\begin{array}{r} 51,244 \\ (+16.0 \%) \\ \hline \end{array}$ | $\begin{array}{r} 39,576 \\ (-22.8 \%) \\ \hline \end{array}$ | $\begin{array}{l\|} \hline 36,775 \\ (-7.1 \%) \\ \hline \end{array}$ | $\begin{aligned} & 38,036 \\ & (+3.4 \%) \end{aligned}$ | $\begin{gathered} 14,500 \\ (-24.2 \%) \end{gathered}$ | $\begin{aligned} & 34,500 \\ & (-9.3 \%) \end{aligned}$ |
| Profit attributable to owners of parent (YOY\%) | $\begin{array}{r} 32,692 \\ (+24.2 \%) \\ \hline \end{array}$ | $\begin{array}{r} 24,528 \\ (-25.0 \%) \\ \hline \end{array}$ | $\begin{aligned} & 22,473 \\ & (-8.4 \%) \end{aligned}$ | $\begin{array}{r} 28,781 \\ (+28.1 \%) \\ \hline \end{array}$ | $\begin{gathered} 10,500 \\ (-22.2 \%) \\ \hline \end{gathered}$ | $\begin{array}{r} 24,000 \\ (-16.6 \%) \\ \hline \end{array}$ |
| Comprehensive income (YOY\%) | $\begin{gathered} 47,535 \\ (+7.8 \%) \end{gathered}$ | $\begin{gathered} 47,845 \\ ++0.7 \%) \end{gathered}$ | $\begin{array}{r} 9,059 \\ (-81.1 \%) \end{array}$ | $\begin{array}{r} 30,184 \\ (+233.2 \%) \\ \hline \end{array}$ | - | - |
| EPS (yen) | 403.18 | 302.57 | 277.75 | 360.18 | 131.41 | 300.38 |
| EPS, diluted (yen) | 403.07 | 302.42 | 277.59 | 359.92 | 131.32 | 300.17 |
| BPS (yen) | 7,401.61 | 7,892.19 | 7,870.04 | 8,127.87 | 8,200.44 | 8,319.97 |
| Dividend per share (yen)** | 110.00 | 110.00 | 100.00 | 110.00 | 50.00 | 110.00 |
| Payout ratio | 27.3\% | 36.4\% | 36.0\% | 30.5\% | - | 36.6\% |
| Capital expenditure | 10,401 | 5,253 | 8,967 | 7,011 | 2,260 | 5,790 |
| Depreciation and amortization | 11,042 | 11,561 | 11,117 | 10,423 | 5,000 | 10,300 |
| Total assets | 728,442 | 768,092 | 759,049 | 771,222 | 777,000 | 787,000 |
| Shareholders' equity | 611,933 | 653,242 | 643,127 | 665,088 | 671,000 | 681,000 |
| Return on equity (\%)** | 5.6\% | 4.0\% | 3.5\% | 4.5\% | - | 3.7\% |
| Return on assets (\%)** | 4.7\% | 3.3\% | 2.9\% | 3.8\% | - | 3.1\% |
| Equity ratio (\%) | 82.4\% | 83.3\% | 82.9\% | 84.2\% | 84.3\% | 84.5\% |
| Overseas sales | 25,393 | 27,949 | 29,901 | 27,529 | 14,310 | 29,520 |
| Overseas sales ratio (\% of total sales) | 8.6\% | 9.6\% | 10.3\% | 9.8\% | 10.4\% | 10.6\% |
| Number of employees | 6,381 | 6,609 | 6,517 | 6,461 | - | - |

* After provision/reversal of reserve for returned unsold goods
** Average of the beginning and year-end balance of shareholders' equity / total assets


## Consolidated Balance Sheets

|  | End of FY2015 |  | End of FY2016 |  | change | (Milions oryen) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | (March 31, 16) | \% total | (March 31, 17) | \% total |  |  |
| (Assets) |  |  |  |  |  |  |
| I Current assets: | 319,670 | 42.1\% | 308,946 | 40.1\% | -10,724 |  |
| Cash and deposits | 172,142 |  | 201,275 |  | +29,133 |  |
| Notes and accounts receivable-trade | 75,243 |  | 69,535 |  | -5,707 |  |
| Marketable securities | 34,316 |  | - |  | -34,316 | Bond redemptions -34,200 |
| Inventories | 26,638 |  | 27,501 |  | +862 |  |
| Deferred tax assets | 6,128 |  | 5,819 |  | -308 |  |
| Others | 5,201 |  | 4,814 |  | -386 |  |
| II Fixed assets: | 439,379 | 57.9\% | 462,276 | 59.9\% | +22,897 |  |
| (1) Tangible fixed assets: | 98,950 | (13.0\%) | 97,282 | (12.6\%) | -1,667 |  |
| Buildings and structures | 45,979 |  | 49,957 |  | +3,977 | Completion of Omiya Distribution Center 2 |
| Machinery and equipment | 7,211 |  | 6,372 |  | -839 |  |
| Land | 37,473 |  | 37,457 |  | -16 |  |
| Others | 8,285 |  | 3,496 |  | -4,789 |  |
| (2) Intangible fixed assets: | 38,863 | (5.1\%) | 34,372 | (4.5\%) | -4,490 |  |
| Goodwill | 19,046 |  | 16,768 |  | -2,277 |  |
| Sales rights | 4,675 |  | 4,068 |  | -606 |  |
| Trademarks | 12,175 |  | 9,966 |  | -2,209 |  |
| Software | 2,419 |  | 3,046 |  | +626 |  |
| Others | 547 |  | 523 |  | -23 |  |
| (3) Investments and other assets: | 301,565 | (39.7\%) | 330,620 | (42.9\%) | +29,055 |  |
| Investments in securities | 237,213 |  | 252,459 |  | +15,246 |  |
| Affiliates' stocks | 54,590 |  | 67,550 |  | +12,960 | Acquisition of shares of Duoc Hau Giang Pharmaceutical JSC |
| Net defined benefit assets | 568 |  | 2,496 |  | +1,927 |  |
| Deferred tax assets | 7,869 |  | 6,783 |  | -1,085 |  |
| Others | 1,322 |  | 1,330 |  | +7 |  |
| Total assets | 759,049 | 100.0\% | 771,222 | 100.0\% | +12,173 |  |


| (Liabilities) |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| I Current liabilities: | 66,646 | 8.8\% | 58,097 | 7.5\% | -8,548 |  |
| Notes and accounts payable-trade | 27,082 |  | 23,327 |  | -3,755 |  |
| Accounts payable | 16,753 |  | 13,047 |  | -3,706 |  |
| Accrued corporate tax | 5,746 |  | 5,774 |  | +28 |  |
| Allowance for bonuses | 3,855 |  | 3,854 |  | -1 |  |
| Others | 13,207 |  | 12,094 |  | -1,113 |  |
| II Long-term liabilities: | 49,275 | 6.5\% | 48,036 | 6.2\% | -1,239 |  |
| Net defined benefit liabilities | 23,713 |  | 23,505 |  | -208 |  |
| Deferred taxes liabilities | 16,333 |  | 16,130 |  | -202 |  |
| Others | 9,228 |  | 8,400 |  | -828 |  |
| Total liabilities | 115,922 | 15.3\% | 106,134 | 13.8\% | -9,787 |  |
| (Net assets) |  |  |  |  |  |  |
| I Shareholders' equity | 600,862 | 79.2\% | 621,583 | 80.6\% | +20,720 |  |
| Common stock | 30,000 | 4.0\% | 30,000 | 3.9\% | - |  |
| Additional paid-in capital | 15,271 | 2.0\% | 15,272 | 2.0\% | +0 |  |
| Retained earnings | 623,255 | 82.1\% | 644,038 | 83.5\% | +20,783 | Profit attributable to owners of parent $+28,781$ Dividend on retained earnings -7,997 |
| Treasury stock | -67,664 | -8.9\% | -67,727 | -8.8\% | -63 |  |
| II Accumulated other comprehensive income | 28,029 | 3.7\% | 27,875 | 3.6\% | -153 |  |
| Unrealized gain on securities | 35,736 | 4.7\% | 36,234 | 4.7\% | +498 |  |
| Deferred gains or losses on hedges | -0 | - 0.0\% | -0 | 0.0\% | +0 |  |
| Foreign currency adjustment accounts | 507 | 0.1\% | -2,195 | -0.3\% | -2,702 |  |
| Remeasurements of defined benefit plans | -8,213 | -1.1\% | -6,162 | -0.8\% | +2,050 |  |
| III Subscription rights to shares | 357 | 0.0\% | 478 | 0.1\% | +121 |  |
| IV Minority interest | 13,878 | 1.8\% | 15,150 | 2.0\% | +1,272 |  |
| Total net assets | 643,127 | 84.7\% | 665,088 | 86.2\% | +21,960 |  |
| Total liabilities and net assets | 759,049 | 100.0\% | 771,222 | 100.0\% | +12,173 |  |

Consolidated P/L Statement


Consolidated Sales Breakdown by Segment/Category

|  |  |  |  |  |  | Ilions of yen) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | March 14 | March 15 | March 16 | March 17 | March 1 | Y2017) |
|  | (FY2013) | (FY2014) | (FY2015) | (FY2016) | 2Q(4-9) | Full year |
| Self-Medication operations (YOY\%) | $\begin{array}{r} 181,753 \\ (+6.1 \%) \end{array}$ | $\begin{array}{r} 176,295 \\ (-3.0 \%) \end{array}$ | $\begin{gathered} 180,722 \\ (+2.5 \%) \end{gathered}$ | $\begin{array}{r} 179,992 \\ (-0.4 \%) \end{array}$ | $\begin{aligned} & 89,300 \\ & (-1.3 \%) \end{aligned}$ | $\begin{aligned} & 181,300 \\ & (+0.7 \%) \end{aligned}$ |
| Japan | 153,856 | 145,614 | 148,125 | 149,733 | 73,600 | 149,300 |
| Overseas | 25,379 | 27,939 | 29,875 | 27,507 | 14,300 | 29,500 |
| Others | 2,516 | 2,741 | 2,721 | 2,751 | 1,400 | 2,500 |
| Prescription Pharmaceutical operations (YOY\%) | $\begin{array}{r} 114,204 \\ (+0.3 \%) \end{array}$ | $\begin{array}{r} 114,202 \\ (-0.0 \%) \end{array}$ | $\begin{array}{r} 109,413 \\ (-4.2 \%) \end{array}$ | $\begin{aligned} & 99,781 \\ & (-8.8 \%) \end{aligned}$ | $\begin{aligned} & 48,200 \\ & (-4.7 \%) \end{aligned}$ | $\begin{aligned} & 97,700 \\ & (-2.1 \%) \end{aligned}$ |
| Ethical drugs | 111,289 | 111,594 | 107,215 | 96,126 | 46,800 | 95,100 |
| Other | 2,914 | 2,608 | 2,197 | 3,655 | 1,400 | 2,600 |
| Total | 295,957 | 290,498 | 290,135 | 279,773 | 137,500 | 279,000 |

## Consolidated Operating Income by Segment

|  |  |  |  |  | (Millions of yen) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{aligned} & \text { March } 14 \\ & \text { (FY2013) } \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { March } 15 \\ & \text { (FY2014) } \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { March } 16 \\ & \text { (FY2015) } \end{aligned}$ | $\begin{aligned} & \text { March } 17 \\ & \text { (FY2015) } \end{aligned}$ | (Est.) <br> March 18(FY2017) |  |
|  |  |  |  |  | 2Q(4-9) | Full year |
| Self-Medication operations (YOY\%) | $\begin{gathered} 36,865 \\ (+10.0 \%) \end{gathered}$ | $\begin{gathered} 31,060 \\ (-15.7 \%) \end{gathered}$ | $\begin{aligned} & 28,393 \\ & (-8.6 \%) \end{aligned}$ | $\begin{aligned} & 30,106 \\ & (+6.0 \%) \end{aligned}$ | $\begin{gathered} 11,700 \\ (-23.0 \%) \end{gathered}$ | $\begin{gathered} 26,000 \\ (-13.6 \%) \end{gathered}$ |
| Prescription Pharmaceutica operations <br> (YOY\%) | $\begin{array}{r} 6,000 \\ (+98.2 \%) \end{array}$ | $\begin{gathered} 2,078 \\ (-65.4 \%) \end{gathered}$ | $\begin{array}{r} 1,755 \\ (-15.5 \%) \end{array}$ | $\begin{array}{r} 3,352 \\ (+90.9 \%) \end{array}$ | $\begin{array}{r} 500 \\ (-78.0 \%) \end{array}$ | $\begin{array}{r} 3,900 \\ (+16.3 \%) \end{array}$ |
| Other* (YOY\%) | $\begin{array}{r} -1,181 \\ (-) \\ \hline \end{array}$ | $\begin{array}{r} -1,164 \\ (-) \\ \hline \end{array}$ | $\begin{array}{r} -1,271 \\ (-) \\ \hline \end{array}$ | $\begin{array}{r} -1,492 \\ (-) \end{array}$ | $\begin{array}{r} -700 \\ (-) \end{array}$ | $\begin{array}{r} -1,400 \\ (-) \\ \hline \end{array}$ |
| Total | 41,683 | 31,974 | 28,878 | 31,966 | 11,500 | 28,500 |

[^0]Consolidated Sales - Leading Brands of Self-Medication Operations

(Rounded to the nearest hundred-million)

Lipovitan Series: Sales Breakdown

|  | March 14(FY2013) | March 15(FY2014) | $\begin{aligned} & \text { March } 16 \\ & \text { (FY2015) } \end{aligned}$ | March 17 |  | (Est.) <br> March 18(FY2017) |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | (FY2016) | YOY | 2Q(4-9) | Full year | YOY |
| Lipovitan series | 67.5 | 62.1 | 60.5 | 58.5 | -3.3\% | 31.4 | 56.8 | -2.9\% |
| Lipovitan D | 44.3 | 40.0 | 38.6 | 37.2 | -3.5\% | 20.4 | 36.1 | -3.1\% |
| Others | 23.2 | 22.1 | 21.9 | 21.3 | -3.1\% | 11.0 | 20.7 | -2.5\% |
| (100mL other Lipovitans) | 15.2 | 14.5 | 13.9 | 13.5 | -3.0\% | 7.1 | 13.2 | -2.3\% |
| ( 50 mL other Lipovitans) | 8.0 | 7.6 | 8.0 | 7.7 | -3.2\% | 3.9 | 7.5 | -2.8\% |

(Rounded to the nearest hundred-million)

Consolidated Sales - Leading Products of Prescription Pharmaceutical Operations
(Billions of Yen)

|  | March 14(FY2013) | March 15(FY2014) | March 16(FY2015) | March 17 |  | (Est.) <br> March 18(FY2017) |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | (FY2016) | YOY | 2Q(4-9) | Full year | YOY |
| Edirol | 14.1 | 17.2 | 19.8 | 22.6 | +13.9\% | 12.3 | 25.0 | +10.6\% |
| ZOSYN | 25.4 | 26.9 | 27.3 | 15.5 | -43.2\% | 5.6 | 9.5 | -38.8\% |
| Clarith | 16.4 | 13.5 | 12.0 | 9.3 | -22.3\% | 3.7 | 8.5 | -8.8\% |
| Bonviva | 1.2 | 3.6 | 4.9 | 5.9 | +19.9\% | 3.4 | 7.1 | +20.1\% |
| Palux | 7.9 | 7.0 | 6.2 | 5.4 | -13.7\% | 2.5 | 4.8 | -10.4\% |
| Geninax | 6.8 | 5.7 | 4.3 | 5.2 | +21.3\% | 2.0 | 4.5 | -13.5\% |
| OZEX | 7.2 | 6.6 | 5.9 | 4.9 | -16.3\% | 2.1 | 4.7 | -4.3\% |
| Biofermin | 3.7 | 3.6 | 3.6 | 3.9 | +10.4\% | 2.1 | 4.2 | +6.9\% |
| Lusefi | - | 2.4 | 0.9 | 2.9 | +225.2\% | 2.1 | 4.8 | +67.1\% |
| LOQOA | - | - | 0.4 | 1.8 | +315.2\% | 1.6 | 3.6 | +98.5\% |

(Rounded to the nearest hundred-million)

Consolidated: Capital Expenditure


## Consolidated: Depreciation and Amortization

(Millions of yen)

|  | March 14(FY2013) | March 15(FY2014) | March 16 <br> (FY2015) | $\begin{aligned} & \text { March } 17 \\ & \text { (FY2016) } \end{aligned}$ | (Est.)March 18 (FY2017) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | 2Q(4-9) | Full year |
| Depreciation and amortization | 11,042 | 11,561 | 11,117 | 10,423 | 5,000 | 10,300 |
| Cost of sales | 4,033 | 4,163 | 3,823 | 3,411 | 1,500 | 3,200 |
| SGA expenses | 7,009 | 7,398 | 7,293 | 7,011 | 3,500 | 7,100 |

Consolidated: R\&D Expenses
(Millions of yen)

|  | March 14(FY2013) | March 15 <br> (FY2014) | $\begin{aligned} & \text { March } 16 \\ & \text { (FY2015) } \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { March } 17 \\ & \text { (FY2016) } \\ & \hline \end{aligned}$ | (Est.) <br> March 18 (FY2017) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | 2Q(4-9) | Full year |
| Total R\&D expenses | 21,874 | 21,554 | 21,768 | 21,260 | 12,400 | 24,000 |
| Self-Medication operations | 5,790 | 5,502 | 5,497 | 5,497 | 3,400 | 6,400 |
| Prescription Pharmaceutical operations | 16,084 | 16,051 | 16,270 | 15,763 | 9,000 | 17,600 |

## Results of Major Consolidated Subsidiaries

Sales and earnings of Taisho Pharmaceutical
(Billions of Yen)

|  | March 14(FY2013) | March 15(FY2014) | March 16 <br> (FY2015) | March 17 |  | (Est.)March 18(FY2017) |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | (FY2016) | YOY | 2Q(4-9) | Full year | YOY |
| Net Sales | 197 | 198 | 198 | 203 | +2.4\% | 100 | 204 | +0.6\% |
| Self-Medication | 149 | 147 | 150 | 152 | +1.3\% | 74 | 151 | -0.8\% |
| Prescription Pharmaceutical | 47 | 51 | 48 | 51 | +5.8\% | 25 | 54 | +4.6\% |
| Operating income | 32 | 21 | 20 | 23 | +18.2\% | 7 | 19 | -15.9\% |
| Ordinary income | 39 | 25 | 24 | 27 | +9.0\% | 13 | 26 | -3.6\% |
| Profit | 27 | 17 | 18 | 20 | +12.5\% | 11 | 20 | +0.5\% |

(Rounded to the nearest hundred-million)

Sales and earnings of Taisho Toyama Pharmaceutical
(Billions of Yen)

|  | March 14(FY2013) | March 15(FY2014) | $\begin{aligned} & \text { March } 16 \\ & \text { (FY2015) } \end{aligned}$ | March 17 |  | (Est.) <br> March 18(FY2017) |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | (FY2016) | YOY | 2Q(4-9) | Full year | YOY |
| Net Sales | 107 | 112 | 107 | 96 | -10.3\% | 47 | 95 | -1.1\% |
| Operating income | 2 | 4 | 3 | 2 | -23.5\% | 1 | 2 | +11.6\% |
| Ordinary income | 3 | 4 | 3 | 2 | -21.7\% | 1 | 2 | +8.7\% |
| Profit | 1 | 2 | 1 | 1 | -9.5\% | 1 | 1 | +13.0\% |

(Rounded to the nearest hundred-million)
Sales and earnings of Taisho Toyama Pharmaceutical are included in the consolidated results of Prescription Pharmaceutical operatior

Sales and earnings of Biofermin Pharmaceutical (Billions of Yen)

|  | March 14(FY2013) | March 15(FY2014) | $\begin{aligned} & \text { March } 16 \\ & \text { (FY2015) } \end{aligned}$ | March 17 |  | (Est.)March 18(FY2017) |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | (FY2016) | YOY | 2Q(4-9) | Full year | YOY |
| Net Sales | 11 | 11 | 10 | 11 | +9.8\% | 6 | 11 | +0.0\% |
| Self-Medication | 7 | 7 | 7 | 7 | +9.7\% | 4 | 7 | -1.2\% |
| Prescription Pharmaceutical | 4 | 4 | 3 | 3 | +10.1\% | 2 | 3 | +2.6\% |
| Operating income | 3 | 3 | 2 | 3 | +18.4\% | 2 | 3 | +0.1\% |
| Ordinary income | 3 | 4 | 2 | 3 | +16.5\% | 2 | 3 | +0.8\% |
| Profit | 2 | 2 | 2 | 2 | +19.5\% | 1 | 2 | +0.1\% |

(Rounded to the nearest hundred-million)

Major Subsidiaries and Affiliates
(As of March 31, 2017)

| Company | Address | Capital | Business | Ownership* |
| :---: | :---: | :---: | :---: | :---: |
| (1) Consolidated susidiaries <br> Taisho Pharmaceutical Co.,Ltd. | Tokyo, Japan | $\begin{array}{r} , 000 \mathrm{Yen} \\ 29.804 .450 \\ \hline \end{array}$ | $\begin{gathered} \text { SMG } \\ \mathrm{PD} \end{gathered}$ | \% ${ }^{\%}$ |
| MEJIRO KOSAN Co., Ltd. | Tokyo, Japan | $\begin{array}{r} , 000 \mathrm{Yen} \\ 600,000 \\ \hline \end{array}$ | SMG | 100.0 |
| Taisho Okinawa Co.,Ltd. | Okinawa, Japan | $\begin{aligned} & \hline, 000 \mathrm{Yen} \\ & 50,000 \\ & \hline \end{aligned}$ | SMG | 100.0 |
| Taisho M.T.C. Co.,Ltd. | Tokyo, Japan | $\begin{array}{r} , 000 \mathrm{Yen} \\ 400,000 \\ \hline \end{array}$ | SMG | 60.0 |
| Taisho Pharmaceutical Logistics Co.,Ltd. | Saitama, Japan | $\begin{gathered} \hline, 000 \mathrm{Yen} \\ 30,000 \\ \hline \end{gathered}$ | SMG | 100.0 |
| Biofermin Pharmaceutical Co., Ltd. | Hyogo, Japan | $\begin{array}{r} \hline, 000 \mathrm{Yen} \\ 1,227,000 \\ \hline \end{array}$ | $\begin{gathered} \hline \text { SMG } \\ \text { PD } \\ \hline \end{gathered}$ | 64.0 |
| Taisho Toyama Pharmaceutical Co.,Ltd. | Tokyo, Japan | $\begin{array}{r} , 000 \mathrm{Yen} \\ 2,000,000 \\ \hline \end{array}$ | PD | 70.3 |
| TAISHO ACTIVE HEALTH Co., Ltd. | Tokyo, Japan | $\begin{array}{r} \text {,000 Yen } \\ 100,000 \\ \hline \end{array}$ | SMG | 55.0 |
| TOKUHON Corporation | Tokyo, Japan | $\begin{array}{r} \hline, 000 \mathrm{Yen} \\ 300,000 \\ \hline \end{array}$ | $\begin{gathered} \hline \text { SMG } \\ \text { PD } \\ \hline \end{gathered}$ | 100.0 |
| Taisho Pharmaceutical (Taiwan) Co.,Ltd. | Taiwan | $\begin{array}{r} \hline, 000 \mathrm{NT} \$ \\ 200,000 \\ \hline \end{array}$ | SMG | 100.0 |
| Taisho Pharmaceutical California Inc. | U.S.A. | $\begin{aligned} & \hline, 000 \text { US } \$ \\ & 41,050 \\ & \hline \end{aligned}$ | SMG | 100.0 |
| Taisho Pharmaceuticals (Philippines), Inc. | Philippines | $\begin{aligned} & \hline, 000 \text { Peso } \\ & 18,900 \\ & \hline \end{aligned}$ | SMG | 100.0 |
| Taisho Co.,Ltd. Shanghai | China | $\begin{array}{r} \hline, 000 \mathrm{CNY} \\ 132,621 \end{array}$ | SMG | 100.0 |
| Taisho Vietnam Co.,Ltd. | Vietnam | $\begin{array}{r} , 000 \mathrm{VND} \\ 170,754,300 \\ \hline \end{array}$ | SMG | 100.0 |
| Taisho Pharmaceutical (H.K.) Ltd. | China | $\begin{array}{r} \hline, 000 \mathrm{HK} \mathrm{\$} \\ 163,000 \\ \hline \end{array}$ | SMG | 100.0 |
| Osotspa Taisho Pharmaceutical Co., Ltd. | Thailand | $\begin{array}{r} , 000 \mathrm{THB} \\ 100,000 \end{array}$ | SMG | 60.0 |
| Taisho Pharmaceutical R\&D Inc. | U.S.A. | $\begin{array}{r} \hline, 000 \text { US\$ } \\ 4,000 \\ \hline \end{array}$ | PD | 100.0 |
| PT. Taisho Pharmaceutical Indonesia Tbk | Indonesia | $\begin{array}{r} \text {,000 rupiah } \\ 10,240,000 \\ \hline \end{array}$ | SMG | 98.0 |
| Taisho Pharmaceutical Singapore Private Limited | Singapore | $\begin{array}{r} \hline, 000 \text { US } \$ \\ 1,000 \\ \hline \end{array}$ | SMG | 100.0 |
| Hoepharma Holdings Sdn.Bhd. | Malaysia | $\begin{aligned} & \hline, 000 \mathrm{MYR} \\ & 32,380 \\ & \hline \end{aligned}$ | SMG | 100.0 |
| Compañía Internacional de Comercio, S.A.P.I. de C.V. | Mexico | $\begin{array}{r} , 000 \mathrm{MXN} \\ 122,467 \\ \hline \hline \end{array}$ | SMG | 100.0 |
| (2) Equity accounting method <br> Toyama Chemical Co.,Ltd. | Tokyo, Japan | $\begin{array}{r} , 000 \mathrm{Yen} \\ 10,000,000 \\ \hline \end{array}$ | PD | 34.0 |
| Yomeishu Seizo Co., Ltd. | Tokyo, Japan | $\begin{array}{r} , 000 \mathrm{Yen} \\ 1,650,000 \\ \hline \end{array}$ | SMG | 24.1 |
| Duoc Hau Giang Pharmaceutical JSC | Vietnam | $\begin{array}{r} , 000 \text { VND } \\ 871,643,300 \\ \hline \end{array}$ | SMG | 24.4 |

SMG=Self-Medication operations PD=Prescription Pharmaceutical operations
*Ownership: including the portion of indirect ownership

## Shareholders Information (as of end of March 2017)

## Major Shareholders

(Thousands of Shares)

| Shareholders | Number of shares | \% of total |
| :--- | ---: | ---: |
| The Uehara Memorial Foundation | 15,000 | $18.76 \%$ |
| Shoji Uehara | 7,874 | $9.85 \%$ |
| Uehara Museum | 3,900 | $4.88 \%$ |
| Sumitomo Mitsui Banking Corp. | 3,000 | $3.75 \%$ |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 3,000 | $3.75 \%$ |
| Akira Uehara | 2,143 | $2.68 \%$ |
| Sumitomo Chemical Co., Ltd. | 1,779 | $2.23 \%$ |
| Kajima Corporation | 1,650 | $2.06 \%$ |
| Japan Trustee Services Bank, Ltd. (Trust account) | 1,567 | $1.96 \%$ |
| Japan Trustee Services Bank, Ltd. <br> (Sumitomo Mitsui Trust Bank, Limited Retrust Account/ <br> Sumitomo Chemical Company, Limited Employee <br> Pension Trust Account) | 1,530 | $1.91 \%$ |

Shares less than one thousand are rounded down.
Treasury stock of 10,165 thousand shares are excluded from the above as these shares do not have voting right The shareholding ratio is calculated excluding treasury stock. (Rounded to the nearest second decimal place)

## Distribution of Ownership Among Shareholders

|  | \% of total |
| :--- | ---: |
| Financial Institutions | $20.57 \%$ |
| Financial Instruments Firms | $0.73 \%$ |
| Other companies | $40.38 \%$ |
| Foreign Companies | $12.07 \%$ |
| Individuals and Others | $26.25 \%$ |
| Total | $100.00 \%$ |

The shareholder composition is calculated excluding treasury stock of 10,165 thousand shares. (Rounded to the nearest second decimal place)

## Prescription Pharmaceutical Operations: <br> New Drug Development - Taisho Pharmaceutical

In Japan
Phase 2

TS-091 (Oral)
< Application > Central disorders of hypersomnolence
< Development > In-house
TS-152 (Injection)
< Application > Rheumatoid arthritis
< Development > In-license (Licensor: Ablynx)
< Description > Anti-TNF(Tumor Necrosis Factor)- $\alpha$ antibody
< Remarks > Generic name: Ozoralizumab

TS-141 (Oral)
< Application > Childhood Attention-Deficit/Hyperactivity Disorder
< Development > In-house
TS-133 (Topical)
< Application > Alopecia
< Development > In-house
TS-142 (Oral)
< Application > Insomnia
< Development > In-house

## Prescription Pharmaceutical Operations: <br> New Drug Development - Taisho Pharmaceutical

## Overseas

Phase 2

TS-121 (Oral)
< Target disease > Depression
< In-house/Licensed-in > In-house

## Phase 1

TS-071 (Oral)
< Target disease > Type 2 diabetes
< In-house/Licensed-in > In-house
< Description > Sodium-glucose cotransporter 2 (SGLT2) inhibitor
< Remarks > Generic name: Luseogliflozin Hydrate
In Japan: Launched on May 23, 2014 (Product name: Lusefi)

TS-091 (Oral)
< Target disease > Central disorders of hypersomnolence
< In-house/Licensed-in > In-house
TS-134 (Oral)
< Target disease > Schizophrenia
< In-house/Licensed-in > In-house

## Prescription Pharmaceutical Operations:

New Drug Development - Taisho Pharmaceutical
As of May 15, 2017
Changes Since FY2016 3Q Earnings Announcement (February 2, 2017)
In Japan: TS-142 (Oral)
< Application > Insomnia
< Development > In-house
< Changes > Added to Phase 2 in Japan

Overseas: TS-121 (Topical)
< Application > Depression
< Development > In-house
< Changes > Transfer to Phase 2

## New Products Since FY2016 3Q Earnings Announcement (February 2, 2017)

## Self-Medication Operations

Lipovitan D limited-edition Japanese professional baseball teams bottle
< Description > These Lipovitan D limited-edition bottles feature designs based on the logos of Japanese professional baseball teams.
Sold at convenience stores and other locations centered on the home towns of ten Japanese professional baseball teams.
Inspired by the communication concept "Have a Dream," the limited-edition bottles will support people who are working hard to realize their dreams.
< Launch > Since March 2017

## COBARASAPŌTO Muscat Flavor

< Description > When consumed on an empty stomach, this product suppresses hunger by creating a sense of fullness in the stomach. For this reason, the product is recommended to people who have given up on diets in the past due to hunger or those who want to continue their diets enjoyably.
< Launch > March 2017

## Green Tea for People with Slightly Elevated Triglycerides

```
< Description > Classified as a Food for Specified Health Uses (FOSHU), this powdered green tea beverage is optimal for people who tend to consume a lot of fatty foods or those who have slightly elevated triglyceride levels. Its functional substance is monoglucosyl hesperidin, which acts to lower triglycerides.
< Launch > March 2017
```


## Green Tea for People Concerned About Their Blood Sugar Levels After Meals

```
< Description > Classified as a Food for Specified Health Uses (FOSHU), this powdered green tea
        beverage is optimal for people concerned about their blood sugar levels after meals.
        Its functional substance is indigestible dextrin, which acts to moderate the absorption
        of sugars in meals.
< Launch > March 2017
```

```
AVALON
< Description > This gastrointestinal treatment, which is classified as a Category 2 medicine (an item eligible for the self-medication tax deduction system), helps to relieve heartburn due to gastric reflux and other causes, and stomachache. It contains an antacid, a gastric acid secretion suppressant, and a gastric mucosal protection and restoration ingredient.
< Launch > April 2017
```


## Launch of New Products

## Self-Medication Operations

## RAIZIN DRY \& RAIZIN MILD

< Description > This innovative carbonated beverage is packaged in a single-serve-size 185 ml can developed jointly with the design office "nendo," led by the world-renowned designer Oki Sato.
Sold at convenience stores and shops in train stations, as well as via Taisho Pharmaceutical Direct, a mail order and direct sales service.
< Launch > April 2017


[^0]:    * The "Other" segment represents the Company (a pure holding company), which is not attributable to any reportable segment.

