

Consolidated Financial Results for the Second Quarter of FY2018

Consolidated Subsidiaries: 3

Kissei Shoji Co., Ltd. / Kissei Comtec Co., Ltd. / Hashiba Technos Co., Ltd.

Consolidated	Second Quarter of FY2017 Apr. 2017 - Sep. 2017		Second Quarter of FY2018 Apr. 2018 - Sep. 2018			YoY
	Mil. of US\$	Ratio	Mil. of US\$	Mil. of Yen	Ratio	
Net Sales	322.4	100.0%	314.2	35,665	100.0%	△2.5%
Cost of Sales	108.6	33.7%	119.0	13,507	37.9%	9.6%
Gross Profit	213.7	66.3%	195.2	22,157	62.1%	△8.7%
Selling, General and Administrative Expenses	177.5	55.1%	157.8	17,905	50.2%	△11.1%
Operating Income	36.3	11.3%	37.5	4,252	11.9%	3.3%
Profit Attributable to Owners of Parent	37.7	11.7%	29.4	3,337	9.4%	△22.0%

Note: US dollar amounts are translated at the rate of ¥113.5= US\$1.
Amounts are rounded down. As a result, the sum and breakdown of data may not equal the totals.

Financial Forecasts for FY2018

Consolidated	Results of FY2017 Apr. 2017 - Mar. 2018			Forecasts for FY2018 Apr. 2018 - Mar. 2019			YoY
	Mil. of US\$	Mil. of Yen	Ratio	Mil. of US\$	Mil. of Yen	Ratio	
Net Sales	652.1	74,009	100.0%	640.5	72,700	100.0%	△1.8%
Cost of Sales	228.1	25,889	35.0%	236.1	26,800	36.9%	3.5%
Gross Profit	424.0	48,120	65.0%	404.4	45,900	63.1%	△4.6%
Selling, General and Administrative Expenses	336.9	38,232	51.7%	348.0	39,500	54.3%	3.3%
Operating Income	87.1	9,887	13.4%	56.4	6,400	8.8%	△35.3%
Profit Attributable to Owners of Parent	79.7	9,045	12.2%	48.5	5,500	7.6%	△39.2%

¥113.5= US\$1

Trends in Business Performance

(Millions of Yen except Number of Employees)

Consolidated	FY2014	FY2015	FY2016	FY2017	FY2018 Forecasts
Net Sales	70,110	71,294	71,706	74,009	72,700
Operating Income	8,334	10,274	8,491	9,887	6,400
(% of Net Sales)	(11.9)	(14.4)	(11.8)	(13.4)	(8.8)
Extraordinary Gain or Loss	△ 118	△ 216	478	283	△ 50
Profit Attributable to Owners of Parent	7,165	8,165	7,726	9,045	5,500
(% of Net Sales)	(10.2)	(11.5)	(10.8)	(12.2)	(7.6)
R&D Expenses	14,488	14,106	13,877	14,179	16,000
(% of Net Sales)	(20.7)	(19.8)	(19.4)	(19.2)	(22.0)
Depreciation and Amortization	2,203	2,343	2,370	2,492	2,600
Capital Investment	1,825	1,942	1,477	1,989	1,200
Export Value	7,256	7,231	6,318	8,343	6,520
Number of Employees	1,883	1,908	1,905	1,903	—

< Years ended / ending March 31 >

Trends in Main Product Sales

(Millions of Yen)

Products	FY2016	FY2017	FY2017 2Q	FY2018 2Q	FY2018 Forecasts
URIEF	16,164	17,235	8,388	8,787	17,700
BEOVA	–	–	–	–	700
GLUBES	4,204	4,477	2,225	2,213	4,600
GLUFAST	3,681	2,762	1,512	893	1,650
P-TOL	3,070	4,274	2,160	2,310	5,500
SALAGEN	1,526	1,561	788	814	1,650
RECTABUL	–	228	–	288	700
EPOETIN ALFA BS Injection	5,792	6,093	3,024	3,000	5,800
BEZATOL	3,016	2,564	1,363	898	1,750
UTEMERIN	2,296	1,904	1,025	621	1,180
XANBON	563	483	259	214	330
RIZABEN Eye Drops	1,141	989	363	300	800
RIZABEN	959	812	436	184	340
DOMENAN	122	102	52	45	100
FRAGMIN	201	182	96	78	140
ZOLADEX 1.8mg Depot	577	560	277	239	520
FULSTAN	624	557	300	219	400
Nutritional food products	3,840	3,796	1,883	1,866	3,900

< Years ended / ending March 31 >