

Mid-term Business Plan 2018-2020 PROACTIVE

Revised Major Objectives

Sales

**Over
JPY 100 bill.**

Consolidated annual sales
of 100 billion yen
105.1 billion yen (FY2018)

Operating profit (accumulative)

**More than
JPY 40 bill.**

Revised

- Maintenance and improvement of stable supply system
- Investment for sustainable growth (including new business investment)
- Stable return to shareholders

Capital-to-asset ratio

**More than
50%**

Improvement of financial
stability

R&D cost (accumulative)

**More than
JPY 26 bill.**

- Development plan to ensure timely launch of new products
- Improvement of products satisfying demands of patients and MDs

Investments (accumulative)

**More than
JPY 20 bill.**

Investments to maintain
and improve stable supply
system

Dividend policy

**Stable
dividend**

Contribution to share
holders by keeping stable
dividend and occasional
reacquisition of own
shares, etc. if necessary

Revised Assumptions

Generic drug usage ratio 80% is achieved and maintained as mentioned in Basic Policy on Economic and Fiscal Management and Reform 2017.

No dramatic change in NHI drug price system from the time the Mid-term Business Plan was made.

NHI drug price revision in 2019 is only for reflection of consumption tax rate change, and regular NHI drug price revision is implemented in April 2020.

No change in consolidation in financial statement.

Disclaimer

This presentation contains forward-looking statements related to management's expectations about future business conditions. Actual business conditions may differ significantly from management's expectation and accordingly affect the Company's sales and profitability. Actual results may differ because of factors over which the Company has no control, including unexpected changes in competitive and economic conditions, government regulations, technology and other factors.

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