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To Whom It May Concern

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New Medium-Term Business Plan Developed: “HOPE 100 Stage 1”

KYORIN Co., Ltd. (Head office: Chiyoda-ku, Tokyo, President & CEO: Masahiro Yamashita) announces that it has developed a new medium-term business plan for the KYORIN Group. The plan is called “HOPE 100 Stage 1” and covers the period from FY2010 to FY2015. Under the new plan, the KYORIN Group will strive to realize its corporate philosophy of cherishing life and benefiting society by contributing to better health.

1. Position of HOPE 100 Stage 1

Ahead of the consideration of a new medium-term business plan, the KYORIN Group has set out its long-term vision, “HOPE 100,” for the period until 2023, the 100th anniversary of the founding of subsidiary Kyorin Pharmaceutical Co., Ltd. The vision calls on the Group to support healthy lives, while achieving sound and sustainable growth, and dispersing risks by diversifying its healthcare operations, including the core pharmaceuticals business.

The name “HOPE 100” is an abbreviation of “Aim for the Health of People and Our Enterprises.” The 100 represents the 100th anniversary and reflects our aim to contribute to healthy lives through operations for the treatment and prevention of diseases and the maintenance and promotion of health, while also achieving the sound development of the Group.

“HOPE 100 Stage 1” is our new medium-term business plan for the first six years (from FY2010 to FY2015) towards our long-term vision. The Company plans to develop the Stage 2 (from FY2016 to FY2019) and Stage 3 (from FY2020 to FY2023) medium-term plans at the appropriate times.

2. Overview of HOPE 100 Stage 1

The following is an overview of the new medium-term business plan HOPE 100 Stage 1 of the KYORIN Group in terms of business strategy, organization for implementing the strategy, and target performance:

(1) Business strategy

To become a company supporting healthy life as stated in the long-term vision, the Company will diversify its healthcare business, including the core pharmaceutical business.

(i) Pharmaceutical business

Based on the concept of the PC Model (pharma complex model), the Company classifies ethical drugs into new drugs (drugs already launched or that are to be developed, which are protected by patents and exclusivity), branded drugs (drugs the value of which the Company is seeking to improve and whose lifecycle the Company is striving to extend through lifecycle management), and generic drugs. Combining the research and development, production, and sales activities of the subsidiaries KYORIN Pharmaceutical and KYORIN Rimedio and promoting alliances with companies outside the Group, the Company will pursue effective and efficient operations and will aim to achieve sustainable growth.

(ii) Healthcare business

To respond to diversifying health-related needs and to complement growth in the pharmaceutical business, the Company will develop the skincare business to make it profitable and will promote a branding strategy for Milton. Meanwhile, the Company will seek to create new growth businesses and generate synergy with the pharmaceutical business.

(2) Organization strategy

The long-term vision of the Group says that the most crucial task for implementing the business strategy and producing results is valuing its employees and invigorating the people and organization. Under the new

medium-term business plan, the Company seeks to become a company providing the greatest job satisfaction, where the employees will be proud of their jobs, will trust the Company and its organization, and will be able to unite in their work. To this end, the Company will restructure the human resource management (hiring, cultivation, evaluation, promotion, assignment, compensation, welfare, etc.) of each Group company and will seek to enhance communication.

(3) Performance

(i) Target operating results (consolidated)

In HOPE 100 Stage 1, the Company will aim to achieve an average annual sales growth rate of 5% or more and an operating income margin of about 15%. We have set target net sales and operating income for FY2015, the final year of the medium-term business plan, as follows:

	March 2016 (Forecast) Million yen	March 2010 (results) Million yen
Net sales	140,000	99,764
Operating income	20,000	13,261

(ii) Investments based on shareholders' equity and shareholder returns

During the period of the medium-term business plan, the Company will strike a balance among investments in growth, investments in business continuity, and shareholder returns.

With respect to investments in growth, the Company will focus on acquiring licensed-in drugs for reinforcing R&D channels in the core pharmaceutical business, while making strategic investments in new healthcare operations. We will determine dividends so that the consolidated payout ratio will be 30%.

The businesses and figures included in the new medium-term business plan HOPE 100 Stage 1 are based on analyses of information available and current circumstances at the time of writing, and may change depending on future economic conditions and industry conditions.