

Annual Flash Report (unaudited)

Fiscal Year ended March 31, 2017

Basic policy for profit distribution and dividends for the fiscal year under review and the following fiscal year

Distribution of profits to all our shareholders is one of our key management policies. We place great importance on the maintenance of stable dividends and profit sharing according to our business performance for the corresponding fiscal year.

As for the dividend for the fiscal year ended March 31, 2017, we expect to make a year-end dividend of 20 yen per share. With the payment of the second quarter dividend of 20 yen per share, the annual dividend is expected to be 40 yen per share.

Also, we marked the 300th anniversary of its founding in this year. To commemorate this anniversary and express our gratitude to shareholders for their constant support, we plan to add a commemorative dividend of 5 yen per share to the second quarter dividend. The forecast for the annual dividend for following fiscal year is expected to be 45 yen per share.

We actively utilize retained earnings for the future business development including research and development of new innovative drugs in Japan and abroad, alliance with bio-venture companies, and in-license of new drug candidate compounds for development risk reduction.