

Overview of the Mochida Pharmaceutical Group's "10-12 Medium Term Management Plan"

April 1, 2010

Dear All,

Every year, the Mochida Pharmaceutical Group (Mochida Pharmaceutical Co., Ltd., TSE: 4534, 1st Section) establishes its rolling three-year plan. We are pleased to present an overview of the mid-term management plan for the fiscal years 2010 through 2012.

With our focus on profits and ongoing investment for the future as our fundamental management policy, the Group has worked hard to build further on its strong business in the fields of pharmaceuticals, healthcare products and medical devices and to develop new businesses with the goal of achieving a unique and distinct comprehensive healthcare company with each of its business divisions ensuring its strong presence and competitiveness in its own field.

In order to respond to more difficult changes in the business environment and to ensure continued profitable growth during the coming three years which start in FY2010, we will continue to work hard to promote further structural reform in areas including the improvement of head office functions and the efficient management of the organization under the fundamental policy and aim to further boost productivity through stronger cooperation and bonds among group departments. We will also maximize the productivity of our finite resources, including human resources, and actively seek collaboration with external resources at the same time. Aiming, in the long term, at specialty pharmaceuticals that will be recognized for the value of their existence also on a global scale, we are pursuing investment in business activities that will lead to future competitiveness.

Furthermore, our core pharmaceutical business will focus its resources on the four major areas of cardiovascular, obstetrics and gynecology, dermatology and emergency medicine so as to further promote strategic alliances which stress the importance of lifecycle management and partnerships. Furthermore, we will develop high value-added products which meet the needs of medical professionals as well as our customers by introducing and utilizing external technologies and technological seeds from outside sources. We will also challenge new medical fields such as the development of therapeutic drugs for intractable diseases and cellular pharmaceuticals and will embrace a commitment to follow-on biologics (biosimilar) as well as generic drugs. As a leader in the manufacture of ethyl icosapentate (EPA-E) preparations, we will work toward having an Epadel-based drug offered as an OTC drug.

We anticipate a difficult business environment for the next three years. We will be creating a business model which is unique to Mochida through challenging opportunities so as to meet the needs of our customers.

Taking full advantage of the agility and responsiveness of a mid-sized firm, the Group will continue to strive toward the following three key points, which remain unchanged under the new mid-term management plan:

1. Establishing businesses and specialized fields where Mochida has a competitive advantage
2. Placing a high priority on partnerships
3. Thorough streamlining of resources

Management Target Values for 2012 (Consolidated):

Sales	89.0 billion yen
Operating income	13.5 billion yen
Research and development expenditures	11.5 billion yen
Productivity per worker	More than 50 million yen

[Reference]

1. Business Strategies

1) Pharmaceuticals

The Group will seek:

- To focus its resources on four major areas (cardiovascular, obstetrics and gynecology, dermatology and emergency medicine), in order to become a “specialty pharma”;
- To expand our products and development pipelines by maximizing the benefits of alliances;
- To build up our life cycle management to maximize values of development pipelines and current products;
- To promote customer-centered marketing and business strategies.

a) Development

The Group will seek:

- To optimize organizational structuring and to allocate resources for accelerating drug development and improving accuracy, in close cooperation with our partners;
- To aim at submitting an application for approval of an antidepressant MLD-55 (escitalopram) in FY2010.
- To accelerate the development of a pulmonary arterial hypertension treatment drug MD-0701 (treprostinil), a cellular GVHD treatment drug JR-031 (a drug using human mesenchymal stem cells) and an ulcerative colitis treatment drug MD-0901 (mesalazine) as well as recombinant human granulocyte colony stimulating factor (G-CSF) drug during a three-year period.
- To promote strategic development plan of drugs under development in light of long-term life cycle management, such as extension of drug indications after launch;
- To promote the extension of drug indication (actinic keratosis) to Beselna Cream (a treatment for condyloma acuminatum);
- To enhance the strategies for the introduction of the products in development so as to expand the pipeline in the fields in which we specialize, including internal medicine;
- To conduct unique formulation research by identifying and responding to a wide range of medical needs, including not only our products but also those of other companies;
- To actively promote the self-medication business, and as a leader in the manufacture of EPA drugs, to work toward having Epadel offered as an OTC drug ;

- To embrace a commitment to the development of high value-added products which meet the needs of the medical profession and of our customers by nurturing core technologies through the introduction and utilization of external technologies and technological seeds from outside sources.

b) Marketing

The Group will seek:

- To develop medical representatives (MRs) who can capably cover all the four targeted major areas (cardiovascular, obstetrics and gynecology, dermatology and emergency medicine) and to maintain and continue with the complement of 750 MRs.
- To further expand growing sales of Atelec (a long-acting Ca-channel antagonist) which has been highly successful in the extremely competitive antihypertension drug market;
- Epadel (antihyperlipidemic drug) will be promoted through the maximum utilization of the abundant EBM-information obtained from JELIS. (the world's first large-scale clinical trial of a highly-purified EPA drug) with the goal of establishing its prominence in the cardiovascular area;
- To reinforce the areas of obstetrics and gynecology and dermatology with Dinagest (for the treatment of endometriosis) and Beselna Cream (for the treatment of condyloma acuminatum) which have been reputed to be products offering new treatment options for medical professionals and contribute to QOL of their patients;
- To introduce products in which we specialize and create efficiency in sales activities;
- To aim at sales of 5 billion yen for our generic drug business.

c) Pharmaceutical Research Center

- To aim at licensing out three candidate drugs for development by fiscal 2012, through the discovery of drugs that measure up to global standards.
- To focus resources on two fields of "chronic pain" and "diabetes and obesity" through Selection and focusing process.

2) Mochida Pharmaceutical Plant Co., Ltd.

Mochida Pharmaceutical Plant in Otawara will promote contract manufacturing business of medical products with high reliability and efficiency in response to diverse needs of our customers, using both state-of-the-art manufacturing facilities and leading-edge technologies that meet global standards.

3) Mochida Healthcare Co., Ltd.

Since 1970, our healthcare products business has promoted itself as an expert in basic skin care products for sensitive skin. Our success includes Skina Babe, a baby bath oil which enjoys the top market share, and the Collage series, a line of gentle basic skin products. Building upon its high rate of support and popularity among dermatologists, obstetricians and gynecologists, Mochida Healthcare will seek to expand sales of the Collage line of products, such as the Furfur series and the Whitening series and consolidate their brand image through strengthened marketing, and to further develop our market.

2. Promotion of restructuring and better awareness

Mochida Pharmaceutical Group promotes structural improvement of the entire group and better awareness by all employees of the group companies so as to enhance lean management style in order to respond to more difficult changes in the business environment and to ensure continued profitable growth.

a) Innovations toward independent and collaborative business units

Business units such as pharmaceuticals, the Pharmaceutical Research Center, pharmaceutical manufacturing and healthcare products are managed under the self-support accounting system with an awareness of the business environment of each unit and operational efficiency. In addition, the Group enhances the liaison among the units. Headquarters will also seek to enhance its functions as one of the Group's business units so as to improve its corporate value and the efficiency in organizational operation.

b) Innovations toward boosting productivity

The Group will continue to review its personnel allocation, strategy, and utilization, from the viewpoint of development and vitalization of human resources, in accordance with the restructuring of the Group's management system.

The Group will promote better awareness among employees and continue to assist them in their efforts to develop competencies so as to enhance their performance. We will enhance interdepartmental cooperation in order to meet our target of increasing productivity by 10% through operational restructuring.