The Mochida Pharmaceutical Group's "12-14 Medium Term Management Plan"

This material is an English translation of the press release issued on April 2, 2012 in Japanese, and the Japanese release is given priority regarding content and interpretation.

April 2, 2012

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 Medium-term Management Plan for the fiscal years 2012 through 2014.

In order to increase the corporate value as a group of companies in the comprehensive healthcare business during the coming three years which start in FY2012, 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 Medium-term Management Plan for establishing a stable earning basis directed at sustainable growth by responding to medical and healthcare needs with concentration of the total power of the Group covering research and development, manufacturing and marketing 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.

Our core pharmaceutical business will focus its resources on the targeted areas of cardiovascular medicine, obstetrics and gynecology, dermatology, emergency medicine and psychiatry so as to further promote strategic alliances which stress the importance of lifecycle management and partnerships. Furthermore, we will introduce and develop high value-added products which meet the needs of medical professionals as well as customers. We will also challenge new medical fields such as the development of therapeutic drugs for intractable diseases and will embrace a commitment to biosimilar (follow-on biologics) as well as generic drugs. As a leader in the manufacture of ethyl icosanpentate (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 2014 (Consolidated):

Sales	102.5 billion yen
Operating income	14.5 billion yen
Research and development expenditures	15.5 billion yen
Productivity per worker	More than 56 million yen

[Reference]
1. Business Strategies

1) Pharmaceuticals
The Group will seek:
- ■To focus its resources on the targeted areas (cardiovascular medicine, obstetrics and gynecology, dermatology, emergency medicine and psychiatry), in order to become a specialty pharmaceutical company;
- ■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 obtain approval for FSK0808 (a treatment for neutropenia) as the first biosimilar G-CSF (granulocyte colony stimulating factor) drug to be approved in Japan; Also, to advance the development of other biosimilar products to follow G-CSF;

To aim at placing a pulmonary arterial hypertension treatment drug MD-0701 (treprostinil), a hypertension treatment drug AJH801 (combination of cilnidipine and valsartan) and an ulcerative colitis treatment drug MD-0901 (mesalazine) on the market during the 12-14 Medium-term Management Plan;

To promote the addition of drug indications and dosage forms to the drugs under development and products on the market;

To promote the addition of drug indications to include non-alcoholic steatohepatitis to Epadel (antihyperlipidemic drug) and uterine adenomyosis to Dinagest (a treatment for endometriosis) during the three-year period;

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 introduce and develop high value-added products which meet the needs of medical professionals as well as customers;

To 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.

b) Marketing
The Group will seek:
To develop medical representatives (MRs) who can capably cover all targeted areas (cardiovascular medicine, obstetrics and gynecology, dermatology, emergency medicine and psychiatry), and to maintain and continue with the complement of 750 MRs;

To accomplish the early expansion of sales of Lexapro (escitalopram oxalate), a new antidepressant which has already received a highly favorable review and achieved considerable success in overseas markets, and strive to gain the largest share of the SSRI market;

To add AJH801 to the product line and further expand sales of Atelec, a long-acting Ca-channel antagonist that has grown in the extremely competitive antihypertension drug market due to its sales strengths;

To aim at increasing the prominence of Epadel in the cardiovascular area 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) as well as any new EBM-information;

To reinforce the areas of obstetrics and gynecology and dermatology with Dinagest and Beselna Cream (a treatment for condyloma acuminatum and to which indication to actinic keratosis has been added) which have been reputed to be products offering new treatment options for medical professionals and contribute to the QOL of their patients;

To introduce products in which we specialize and create efficiency in sales activities;

To aim at sales of more than 7.5 billion yen for our generic drug business.

c) Pharmaceutical Research

To aim at licensing out three candidate drugs for development by fiscal 2014, 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 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.
We will draw on what we have learned from the Great East Japan Earthquake to strengthen our commitment to maintain a stable supply of our products.

3) Mochida Healthcare Co., Ltd.
Since 1970, our skincare 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, pharmaceutical research, pharmaceutical manufacturing and skincare 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 further strengthen its functions as one of the Group's business units so as to improve the efficiency in organizational operation and enhance its corporate value.

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.

Disclaimer
- The target values contained in the Medium-term Management Plan and presented in this document are not forecasts; rather they are only intended to show the directions of the goals we aim to achieve.

- The information provided in this document contains some "forward-looking statements". These forward-looking statements are based on the judgments of the Company derived from the information available to us at this time, and include known and unknown risks and uncertain elements. Accordingly, the actual results may differ materially from these statements due to a variety of factors.

- These risks and uncertainties include general economic conditions in Japan and worldwide, such as general conditions in the industry and markets, interest rates and currency exchange rate fluctuations. The risks and uncertainties exist in forward-looking

statements relating to products in particular. These product-related risks and uncertainties include, but are not limited to, technological advancements, granting of patents to our competitors, completion of clinical trials, claims or concerns relating to safety or efficacy of products, acquisition of approval from regulatory authorities, reform of health insurance systems inside and outside Japan, trends toward the containment of health care cost, government law and regulations that affect the Company's business inside and outside Japan, and issues pertaining to development of new products.

- Approved products contain risks relating to manufacturing and marketing which include, but not are limited to, situations in which the Company may face deficiencies in manufacturing capacity needed to meet demand, difficulties in securing the supplies of raw materials, and demand not created in markets.

- We do not intend to, and assume no obligation to, update or modify any forward-looking statements even if such updating or modification is desirable due to the emergence of new information, future events or other reasons.

- The information contained in this document regarding pharmaceutical products (including those which are being developed) is not intended to act as a promotion or advertisement, or to provide medical advice.