Securities Code 4559

58th

Business Report

From April 1, 2011 to March 31, 2012

Contents

ゼリア新薬
ZERIA

To Our Shareholders

President and CEO
Sachiaki Ibe

Zoom in on healthcare
健康へのニーズに焦点を

Excel in quality at every level
企業活動すべてにベスト･クオリティの追求を

Reach out to the world
世界に目を向けて

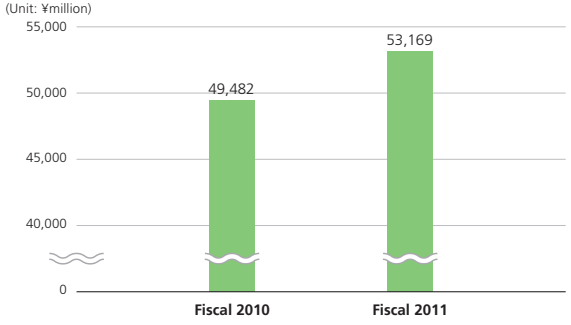
Inspire confidence in management
信頼と期待に応える経営を

Achieve our potential
事業発展の基盤づくりを

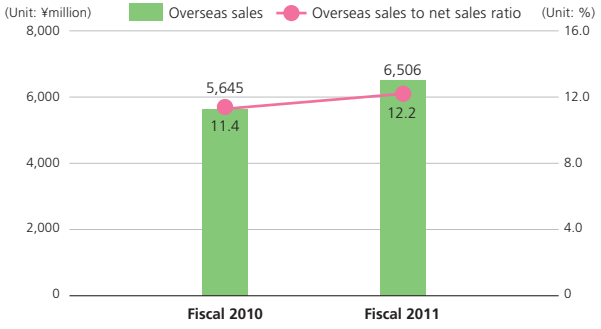
Z·E·R·I·A Five Corporate Spirits

We are pleased to report the results of fiscal year 2011 (58th business operations) for the period from April 1, 2011 to March 31, 2012.

Net sales



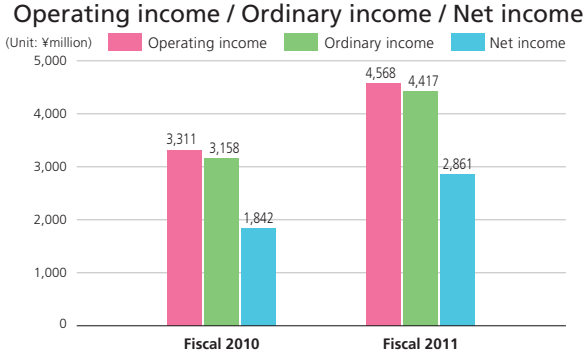
Overseas sales / Overseas sales to net sales ratio

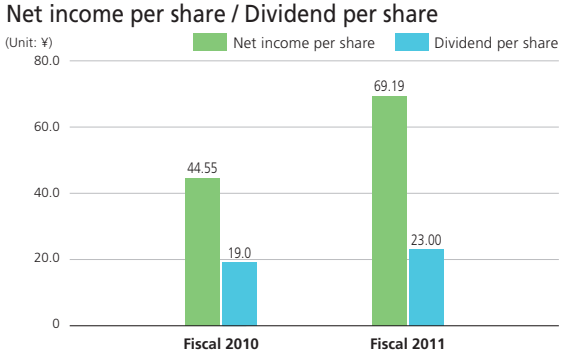


In the ethical pharmaceuticals industry, we continued to see government policy to minimize treatment costs such as the promotion of generic brand pharmaceuticals. Also, in the OTC drug market, the business environment was difficult mainly because of a continuing decline in the Japanese market caused by slumping personal consumption.

Operating under such circumstances, the Zeria Group commenced its three-year 7th Mid-Term Management Plan (from fiscal year 2011 to fiscal year 2013), which has fiscal year 2011 as its starting point, with the aim of "building the foundation as a global company." As the starting year for the Plan, the fiscal year under review is positioned as the year of putting Ethical Pharmaceuticals business and the Consumer Healthcare business, which have always been seen as the two "wheels" of the Group, onto the path of development in Japan through the proactive allocation of business resources. Outside Japan, the Group worked to expand aggressively with the aim of strengthening the sales structures of Group companies and putting the Company's products on sale in the regions of Asia.

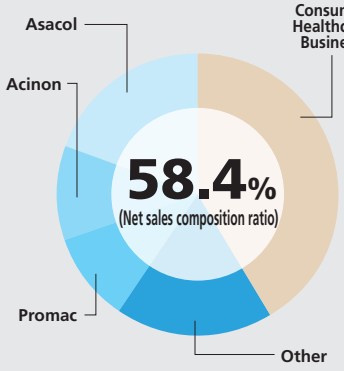
As a result of these activities, net sales for fiscal year 2011 was 53.169 billion yen (up 7.5% from the previous fiscal year). Operating income, ordinary income and net income all increased to 4.568 billion yen (up 38.0%), 4.417 billion yen (up 39.8%) and 2.861 billion yen (up 55.3%), respectively.
In fiscal year 2011, the overseas sales to net sales ratio was 12.2%, compared with 11.4% in the previous fiscal year.





Summary of Our Business Operations (Consolidated)

Ethical Pharmaceuticals Business



Net sales

¥30,922 million

(up 6.7% from the previous fiscal year)

Net sales of major products

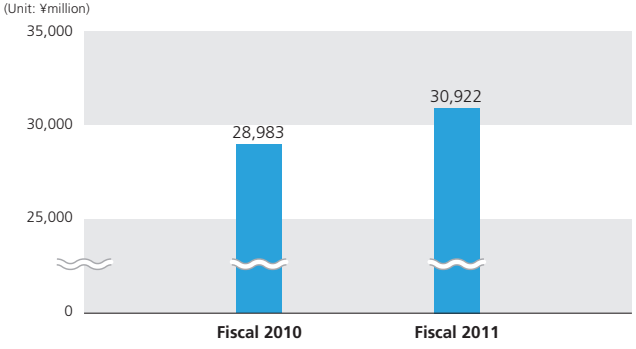
Asacol	¥10.25 billion
Acinon	¥5.70 billion
Promac	¥5.37 billion

In the Ethical Pharmaceuticals business, we sought to improve the quality of our medical representatives (MRs), and took steps to upgrade our medical information activities in accordance with promotion codes.

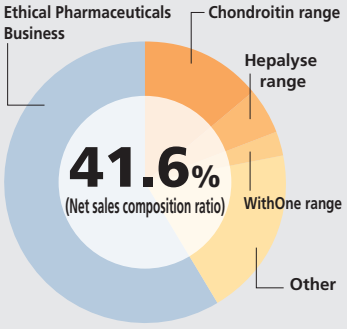
We boosted sales of the mainstay product Asacol®, a treatment for ulcerative colitis, outside Japan by strengthening our sales resources through development of the sales structure of Tillotts Pharma AG (hereinafter "Tillotts"). Sales also grew considerably inside Japan because we concentrated further on market penetration in response to a change by which long-term prescriptions have been permitted in Japan since January 2011. Promac®, a zinc-containing antiulcer agent, also had firm sales. On the other hand, products including Acinon®, an H_2 receptor antagonist, struggled due to intensifying market competition.

As a result, net sales in the business amounted to 30.922 billion yen (up 6.7% from the previous fiscal year).

Consolidated net sales in Ethical Pharmaceuticals Business



Consumer Healthcare Business



Net sales

¥22,030 million

(up 8.7% from the previous fiscal year)

Net sales of major products

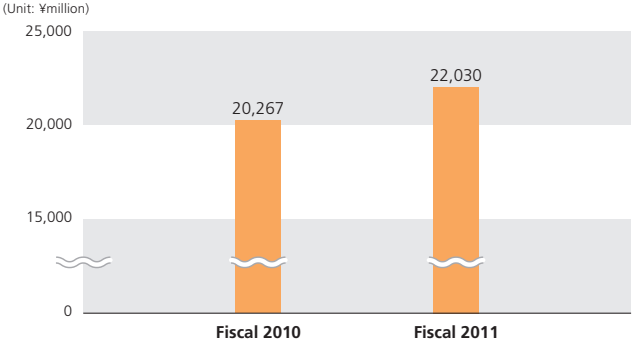
Chondroitin range	¥7.48 billion
Hepalyse range	¥2.70 billion
WithOne range	¥1.49 billion

In the Consumer Healthcare business, amidst the advancement of the super-aged society, we worked to develop markets for self-medication products for the general consumer.

In particular, for the mainstay Chondroitin range, the Hepalyse® range of nutrients and tonics for physical fatigue and exhaustion, and the WithOne® range of herbal laxatives, we actively carried out television advertisements and over-the-counter sales promotion activities tied up with the advertisements. As a result, the Hepalyse® range and the WithOne® range showed significant sales growth, and there were solid sales for the Chondroitin range. Furthermore, in our Hepalyse® range, in November 2011 we launched a new product, Hepalyse® W (soft drink) for convenience stores, a new sales channel.

As a result, net sales in the business amounted to 22.030 billion yen (up 8.7% from the previous fiscal year).

Consolidated net sales in Consumer Healthcare Business



Status of Research and Development

In the Research and Development division, we are actively promoting overseas clinical trials of our own original drugs with a view to developing new drugs that are globally marketable and competitive. At the same time, we are developing products for the Japanese market based on currently successful pharmaceuticals in-licensed from overseas.

As part of our endeavors to build our pipeline of new gastrointestinal drugs, we are currently conducting a Phase II trial, targeting Crohn's disease, for Z-206 (Asacol®), which is in-licensed from Tillotts, in partnership with Kyowa Hakko Kirin Co., Ltd. Regarding the development in China, we are carrying out a Phase III trials targeting ulcerative colitis.

Z-338 (predetermined product name: Acofide®), a Zeria-originated drug, is being concurrently developed in Japan, Europe and the United States. Our application for marketing authorization for the indication of functional dyspepsia, which we submitted in Japan in the previous fiscal year, is currently under approval review. In addition, preparations are underway to start Phase III development in Europe.

As for Z-103 (Promac®), we are carrying out a Phase III clinical trial to demonstrate its efficacy in the treatment of taste disorder (dysgeusia). Regarding Promac® Granules 15%, for which SK Chemicals Co., Ltd. based in Korea, obtained approval as a treatment for gastric ulcer and gastritis in Korea, preparation are being made for the commencement of sales within Korea.

We are continuing an additional Phase III trial of Z-100 to demonstrate its efficiency for cervical cancer, with the aim of completing the trial in fiscal year 2012.

Regarding Z-360, in Europe, having completed a Phase Ib/IIa trial targeted at pancreatic cancer, we are now proceeding with preparations to start Phase II trials. In Japan, preparations are underway for the start of clinical trials with a view to Asian global development.

Z-208, a compound for the treatment of hepatocellular carcinoma that is in-licensed from TMRC Co., Ltd., had been undergoing a Phase I/II clinical trial, and this has now been completed. However, the decision has been taken to discontinue development of the compound without taking it to the next stage after a comprehensive consideration of the trial results.

Furthermore, we have completed a Phase III trial of Z-521 (predetermined product name: Phosribbon®), an oral phosphate formulation, for primary hypophosphatemic rickets. The drug has been designated as an orphan drug and we have submitted an application for marketing authorization.

In the development of Consumer Healthcare products, we launched a series of new products such as Hepalyse® W and New WithOne®, and made progress with the development of European herbal medicines including Colpermin®, which is in-licensed from Tillotts.

Research and development expenses of the fiscal year under review was 5.308 billion yen (up 0.5% from the previous fiscal year).

Research and Development Pipeline

Status of Research and Development

1. Domestic pipeline (Japan)

1) Gastrointestinal field

Stage	Development Code/ Generic Name	Development	Indications	Classification	Note
NDA filed	Z-338/ Acotiamide	Co-development (Astellas)	Functional dyspepsia	Upper gastrointestinal motility modulator	Zeria original Predetermined product name: Acofide®
Phase III	Z-103/ Polaprezinc	Zeria	Taste disorder Promac® additional indication	Zinc replacement	In-licensed
Phase II	Z-206/ Mesalazine	Co-development (Kyowa Hakko Kirin)	Crohn's disease Asacol® additional indication	pH-dependent controlled-release formulation	Zeria (Gr) original
Phase I in preparation	Z-360	Zeria	Pancreatic cancer	Gastrin CCK_2 receptor antagonist	Zeria original Asian global development

2) Other fields

Stage	Development Code/ Generic Name	Development	Indications	Classification	Note
NDA filed	Z-521	Zeria	Hypophosphatemic rickets/osteomalacia	Phosphate replacement Selected eligible for development assistance for unapproved drugs Orphan drug	Zeria original Predetermined product name: Phosribbon®
Phase III additional trial	Z-100	Zeria	Cervical cancer	Immunomodulator	Zeria original

2. International pipeline

Stage	Development Code/ Generic Name	Development	Indications	Classification	Note
Approval (Korea)	Z-103/ Polaprezinc	Out-licensed (SK Chemicals)	Gastritis, Gastric ulcer Promac®	Cytoprotective antiulcer	In-licensed
Phase III (China)	Z-206/ Mesalazine	Co-development (Tillotts Pharma)	Ulcerative colitis Asacol®	pH-dependent controlled-release formulation	Zeria (Gr) original
Phase III in preparation (Europe)	Z-338/ Acotiamide	Zeria	Functional dyspepsia	Upper gastrointestinal motility modulator	Zeria original
Phase II completed (North America)	Z-338/ Acotiamide	Zeria	Functional dyspepsia	Upper gastrointestinal motility modulator	Zeria original
Phase II in preparation (Europe, Asia)	Z-360	Zeria	Pancreatic cancer	Gastrin CCK_2 receptor antagonist	Zeria original

Zeria (Gr) original: Zeria Group original drug

Reference

Phase I Clinical Trials
Drug candidates, for which animal studies have ended and the efficacy and toxicity have been confirmed, are tested on a small group of healthy subjects. These trials concentrate not only on safety, but also on how long it takes for the body to absorb the drug and the degree to which the body eliminates the drug.

Phase II Clinical Trials
After safety has been confirmed by Phase I clinical trials, the efficacy and safety of the drug candidate, as well as the appropriate method of use such as dosage and administration method, are tested on a small number of patients against a placebo*.

Phase III Clinical Trials
By administering to a large number of patients, the final efficacy, safety and method of use of the drug candidate is studied. During this phase, the drug candidate is tested against other currently used drugs or against a placebo*. In many cases, stringent testing methods called double-blind trials are performed.

* Placebo: A fake drug that does not contain the active component, but which is indistinguishable from the drug candidate by outer appearance or taste.

Status of Production and Distribution

In our Production and Distribution division, we attached top priority to securing the highest-possible quality. In our Production-related divisions, we focused our operations on seeking higher quality and cost efficiencies. Meanwhile, in the Distribution and Logistics divisions, we outsourced logistics operations as part of an overall goal to boost increases in operational efficiency and cost reductions.

In the fiscal year under review, production at both the Saitama and Tsukuba Plants increased considerably on the back of growth in sales of mainstay products Asacol®, the Hepalyse® range and the WithOne® range, and the production lines for health drinks and tablets operated at almost full capacity. Since production of these products and ranges is expected to continue to rise, we will step up our efforts to have an efficient production structure in place.

Close-up shot

Launch of Hepalyse® W (Double)

On November 22, 2011, Hepalyse® W (Double), a soft drink with health benefits for people who drink that contains such ingredients as liver extract, turmeric extract and black pepper extract, was launched for sale nationwide as a product sold in convenience stores. The drink has a delicious and refreshing pineapple flavor.

In April 2012, a television advertisement continuously featuring Jay Kabira, who is already well-known from the television advertisement for the New Hepalyse® Drink, started airing. Having added Hepalyse® W (Double), which is readily available in convenience stores, to the Hepalyse® lineup, we intend to implement a strategy for further growth in the Hepalyse® brand.

Outlook for Fiscal Year 2012

For our consolidated outlook for fiscal year 2012 ending March 31, 2013, we forecast net sales of 56.0 billion yen (up 5.3% from the previous fiscal year), operating income of 4.6 billion yen (up 0.7%), ordinary income of 4.5 billion yen (up 1.9%), and net income of 3.2 billion yen (up 11.8%).

Net sales

In the Ethical Pharmaceuticals business, despite the impact of drug price revisions that took effect in April this year, we expect sales to increase, mainly due to increased sales of the mainstay product Asacol®, a treatment for ulcerative colitis, in Japan and overseas. In the Consumer Healthcare business, we are planning an aggressive advertising campaign centered on the Chondroitin range, the Hepalyse® range of nutrients and tonics for physical fatigue and exhaustion, and the WithOne® range of herbal laxatives, and as a result we expect a further rise in awareness of the Zeria brand as well as an expansion in sales.

Income

Although we expect income to increase on the back of higher net sales, this growth is expected to be slight due to an increase in expenses. Such expenses include research and development investment, preparatory investment mainly for business expansion into Asian regions, and investment into advertising for product ranges in the Consumer Healthcare business.

	58th Term	59th Term (Forecast)
Net Sales	¥53,169 million	¥56,000 million
Operating Income	¥4,568 million	¥4,600 million
Ordinary Income	¥4,417 million	¥4,500 million
Net Income	¥2,861 million	¥3,200 million

Special Offers to Our Shareholders

We offer a hospitality program to our shareholders in recognition of their constant support. This time, we have changed the contents of options A and D, and the new hospitality program will commence from the record date at the end of fiscal year 2011. Shareholders can choose from one of the five options A to E. We hope our shareholders will try the gift products for better understanding of our wide-ranging product structure.

Option A

Soft drinks, Designated quasi drug, Food for specified health uses

Set of an assortment of aluminum can drinks and Hepalyse® W

Option B

Health food drink

2 bottles of Chondrobe® Concentrate, JUNKOU®

Option C

Cosmetics and health products

Set of ChondroMax® and Aposty®

Option D

Chondroitin-Content Intensive Nighttime Essence

2 bottles of ZZ:CC® ADSORB ESSENCE (30g)

Option E

Three-product Quality Moisturizer Set

IONA Three-product Basic Skincare Set

Launch of New WithOne® and Press Conference for Television Advertisement

A press conference on the launch and television advertisement of the herbal laxative New WithOne® (designated second-class OTC drug), which was put on sale in January 2012, was held on March 14.

New WithOne® is the latest product in the well-received WithOne® range of herbal laxatives, which was launched in 1987. Under the concept of "replicating natural bowel movements," the products in this range have brought satisfaction to sufferers of constipation, which is demonstrated by the high rate of repeat buying after new purchases (*). New WithOne®, the latest product launched, brings further improvements in the gentle but steady way WithOne® shows its effects and the ease with which it can be drunk, which are characteristics of the range.

To start the press conference, Mitsuhiro Tago, a Managing Director of the Company, gave an explanation about New WithOne®. The product swells up much more effectively than existing products in the range due to its unique formulation technologies, while it is the first in the range to contain cascara sagrada as well as sennoside as a component to stimulate intestinal peristalsis. It is also even easier to drink than existing products in the range because its dosage amount is 40% lower.

Following the explanation, there was a showing of the new television advertisement made for the product. In the advertisement, the product's image of being "gentle" is represented by the charismatic housewife and idol Nozomi Tsuji, who is the mother of two young children, while the image of being "steady" is represented by the newly married Mari Yaguchi, whose activities include hosting various television programs. It is the first time for these two celebrities to star in an advertisement for a laxative.

The press conference was attended by 60 news reporters. Amid a lively atmosphere from beginning to end, there was a question and answer session with the two celebrities, which was covered by a large number of media outlets.

The advertisement has two patterns, the "reassuring" version and the "word of mouth" version. Both patterns break the mold of the concept of laxatives in a lively, enjoyable advertisement, which began broadcasting on March 15, the day after the press conference.

(* According to research by MiniCAFÉ EX, Customer Communications, Ltd.)

Application for Marketing Authorization for Z-521 (Predetermined Product Name: Phosribbon®)

In March 2012, we submitted an application for marketing authorization for the oral phosphate formulation Z-521 (predetermined product name: Phosribbon® Combination Granules, active components: monobasic sodium phosphate monohydrate and dibasic sodium phosphate anhydrous) as an indication for hypophosphatemic rickets/osteomalacia to the Ministry of Health, Labour and Welfare.

Hypophosphatemia may be prolonged over a long period of time due to such causes as renal phosphate wasting or decreased absorption of phosphate from the digestive tract. If this occurs, bone growth and mineralization may be impeded, causing rickets/osteomalacia, whose symptoms include bone deformation and short stature, noticeable bone pains and muscle loss, and fragility of the bones. The main underlying illnesses that cause hypophosphatemia are primary hypophosphatemic rickets, tumor-induced hypophosphatemic osteomalacia, Fanconi syndrome and rickets of prematurity. Since it is estimated that between 3,500 and 7,000 patients in Japan have these conditions, Z-521 has been designated as an orphan drug.

The Company regards the countermeasures against intractable rare diseases to be one of its social responsibilities as a pharmaceutical company. As such, we believe that Z-521 will help to improve the symptoms of sufferers of this illness.

Open Lectures Held For the Public

On September 4, 2011, we held an open lecture for the public about ulcerative colitis in conjunction with TOKYO IBD Patients' Association. There were approximately 50 attendees, consisting of members of the Patients' Association and their family members, and they were given a lecture on ulcerative colitis by Doctor Yajima of Keio University Hospital. Since the patients were active in asking questions, we learned that patients strongly require provision of information from pharmaceutical makers.

We also held an open lecture for the public with the title "Is Your Digestive System Okay?" on February 12, 2012, in conjunction with the Japanese Society of Neurogastroenterology. Approximately 120 members of the public attended the lecture. The topics covered by the lecture included functional dyspepsia, and easily understandable lectures were given by Professor Sato of Juntendo University's Faculty of Medicine and other experts. Almost 70% of those who filled in our attendee questionnaire indicated that they first heard about functional dyspepsia at the lecture, driving home to us that awareness of the illness remains low.

We intend to continue carrying out information provision activities to meet patients' needs as well as activities that help people to understand illnesses.

Financial Statements (Consolidated)

Consolidated Balance Sheets (Summary)

(Unit: ¥million*)

Item \ Term	Prior Consolidated Fiscal Year (As of March 31, 2011)	Current Consolidated Fiscal Year (As of March 31, 2012)
Assets		
Current Assets	**25,167**	**27,223**
Cash and Deposits	4,949	5,713
Notes and Accounts Receivable-Trade	12,309	12,605
Inventories	5,234	6,068
Deferred Tax Assets	734	862
Other	1,966	1,994
Allowance for Doubtful Accounts	(27)	(21)
Noncurrent Assets	**48,611**	**47,977**
Property, Plant and Equipment	**21,537**	**21,048**
Buildings and Structures	6,694	6,510
Machinery, Equipment and Vehicles	2,933	2,613
Land	11,563	11,561
Construction in Progress	66	1
Other	278	361
Intangible Assets	**13,929**	**13,107**
Investments and Other Assets	**13,143**	**13,821**
Investment Securities	8,499	9,767
Deferred Tax Assets	1,391	1,401
Other	3,318	2,718
Allowance for Doubtful Accounts	(65)	(65)
Total Assets	**73,779**	**75,201**

Item \ Term	Prior Consolidated Fiscal Year (As of March 31, 2011)	Current Consolidated Fiscal Year (As of March 31, 2012)
Liabilities		
Current Liabilities	**29,989**	**24,826**
Notes and Accounts Payable-Trade	3,364	3,344
Short-Term Loans Payable	19,943	14,838
Other	6,681	6,643
Noncurrent Liabilities	**15,365**	**19,880**
Bonds Payable	200	—
Long-Term Loans Payable	14,381	19,123
Provision for Retirement Benefits	177	146
Asset Retirement Obligations	71	72
Other	534	538
Total Liabilities	**45,355**	**44,706**
Net Assets		
Shareholders' Equity	**30,361**	**32,345**
Capital Stock	**6,593**	**6,593**
Capital Surplus	**5,414**	**5,414**
Retained Earnings	**25,656**	**27,649**
Treasury Stock	**(7,303)**	**(7,312)**
Accumulated Other Comprehensive Income	**(2,040)**	**(1,995)**
Valuation Difference on Available-for-Sale Securities	**(2,037)**	**(1,472)**
Deferred Gains or Losses on Hedges	**15**	**4**
Foreign Currency Translation Adjustment	**(17)**	**(527)**
Minority Interests	**102**	**144**
Total Net Assets	**28,423**	**30,494**
Total Liabilities and Net Assets	**73,779**	**75,201**

Unit: ¥million rounded down to nearest million

Consolidated Statements of Income (Summary)

(Unit: ¥million*)

Item \ Term	Prior Consolidated Fiscal Year (From April 1, 2010 to March 31, 2011)	Current Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)
Net Sales	**49,482**	**53,169**
Cost of Sales	**18,442**	**18,547**
Gross Profit	**31,039**	**34,622**
Reversal of Provision for Sales Returns	**169**	**137**
Provision for Sales Returns	**137**	**112**
Gross Profit-Net	**31,072**	**34,646**
Selling, General and Administrative Expenses	**27,760**	**30,078**
Operating Income	**3,311**	**4,568**
Non-Operating Income	**478**	**367**
Non-Operating Expenses	**631**	**518**
Ordinary Income	**3,158**	**4,417**
Extraordinary Income	**26**	**336**
Extraordinary Loss	**422**	**72**
Income before Income Taxes	**2,762**	**4,681**
Income Taxes-Current	**1,146**	**1,837**
Income Taxes-Deferred	**(217)**	**(72)**
Income before Minority Interests	**1,834**	**2,916**
Minority Interests in Income (Loss)	**(8)**	**55**
Net Income	**1,842**	**2,861**

Unit: ¥million rounded down to nearest million

Consolidated Statements of Cash Flows (Summary)

(Unit: ¥million*)

Item \ Term	Prior Consolidated Fiscal Year (From April 1, 2010 to March 31, 2011)	Current Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)
Net Cash Provided by (Used in) Operating Activities	5,847	6,028
Net Cash Provided by (Used in) Investing Activities	(7,292)	(2,566)
Net Cash Provided by (Used in) Financing Activities	2,838	(2,433)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(18)	(264)
Net Increase in Cash and Cash Equivalents	1,375	763
Cash and Cash Equivalents at Beginning of Year	3,442	4,817
Cash and Cash Equivalents at End of Year	4,817	5,581

Unit: ¥million rounded down to nearest million

Consolidated Statements of Changes in Net Assets (Summary) (From April 1, 2011 to March 31, 2012)

(Unit: ¥million*)

	Shareholders' Equity					Accumulated Other Comprehensive Income				Minority Interests	Total Net Assets
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Valuation Difference on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Foreign Currency Translation Adjustment	Total Accumulated Other Comprehensive Income		
Balance as of April 1, 2011	6,593	5,414	25,656	(7,303)	30,361	(2,037)	15	(17)	(2,040)	102	28,423
Changes of Items during the Year											
Dividends from Surplus			(868)		(868)						(868)
Net Income			2,861		2,861						2,861
Purchase of Treasury Stock				(9)	(9)						(9)
Net Changes of Items other than Shareholders' Equity						565	(10)	(509)	45	42	87
Total Changes of Items during the Year	—	—	1,992	(9)	1,983	565	(10)	(509)	45	42	2,071
Balance as of March 31, 2012	6,593	5,414	27,649	(7,312)	32,345	(1,472)	4	(527)	(1,995)	144	30,494

Unit: ¥million rounded down to nearest million

Company Information (As of March 31, 2012)

Company Outline

Established:	December 1955
Paid-in Capital:	¥6,593,398,500
Number of Employees:	1,297 (Consolidated)
Business Activities:	1.Manufacturing, sales, import and export of pharmaceuticals, quasi drugs and reagents. 2.Manufacturing, sales, import and export of cosmetics, health foods, soft drinks, hygienic goods and medical devices.

Board of Directors (As of June 28, 2012)

President and CEO	Sachiaki Ibe
Senior Managing Director	Takeshi Saito
Senior Managing Director	Hirokazu Endo
Senior Managing Director	Shigeya Furuhata
Managing Director	Mitsuhiro Tago
Managing Director	Mikio Kan
Managing Director	Shigeru Moriyama
Director	Akira Ohno
Director	Makoto Kishimoto
Director	Yoshihiro Hiraga
Director	Katsuyuki Ishii
Director	Hiroki Kato
Director	Hidekazu Yokote
Director	Yasuhiro Hayashi
Director	Akihiro Kaniguchi
Audit & Supervisory Board Member	Masahiko Hanada
Audit & Supervisory Board Member	Koujirou Takami
Audit & Supervisory Board Member (Out side)	Tetsuo Komori
Audit & Supervisory Board Member (Out side)	Yukiko Naka

Branch

- Headquarters
- Sapporo Branch
- Sendai Branch
- Tokyo Branch
- Tokyo 3rd Sales Office
- Kanagawa Sales Office
- Saitama Sales Office
- Chiba Sales Office
- Kita Kanto Sales Office
- Koshinetsu Sales Office
- Nagoya Branch
- Osaka Branch
- Osaka 2nd Sales Office
- Kobe Sales Office
- Other Sales Office
- Keiji Hokuriku Sales Office
- Chugoku & Shikoku Branch
- Okayama Sales Office
- Takamatsu Sales Office
- Fukuoka Branch
- Central Research Laboratories
- Saitama Plant
- Tsukuba Plant
- Tokyo Distribution Center
- Sapporo Distribution Center
- Saitama Distribution Center
- Osaka Distribution Center
- Kyushu Distribution Center

Aomori, Utsunomiya, Kanetsu, Shizuoka, Kanazawa, Yamaguchi, Yonago, Matsuyama, Kochi, Nagasaki, Kumamoto, Oita, Kagoshima, Okinawa

Number of Consolidated Subsidiaries: 5

Tillotts Pharma AG

Paid-in Capital: CHF 1,640,000 (equity stake: 100%)
Business Activities: Manufacturing and sales of products for treatment of IBD (inflammatory bowel disease) and IBS (irritable bowel syndrome)

Zeria Healthway Co., Ltd.

Paid-in Capital: ¥85 million (equity stake: 100%)
Business Activities: Purchase and sales of nutritional foods and health foods

Biofac Esbjerg A/S

Paid-in Capital: DKK 1,000,000 (equity stake: 85%)
Business Activities: Manufacturing and sales of sodium chondroitin sulfate, particularly as a pharmaceutical ingredient

IONA INTERNATIONAL CORPORATION

Paid-in Capital: ¥200 million (equity stake: 100%)
Business Activities: Manufacturing and sales, etc. of cosmetics and quasi drugs

Zevice Co., Ltd.

Paid-in Capital: ¥180 million (equity stake: 100%)
Business Activities: Insurance agency, real estate related activities, etc.

Share Information (As of March 31, 2012)

Status of Shares

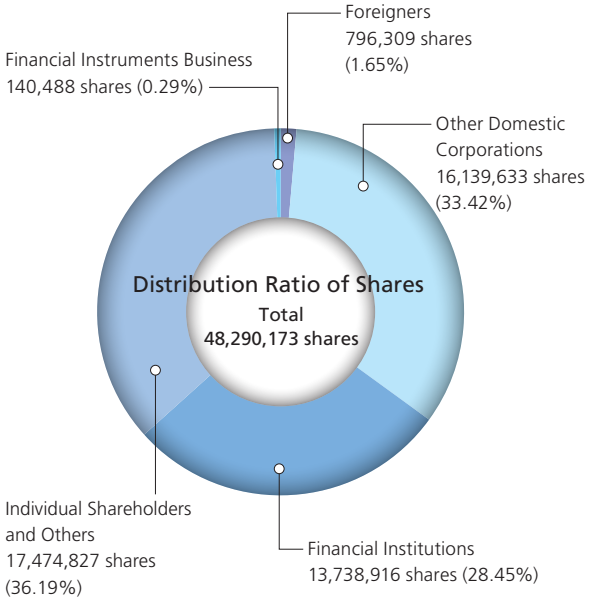
(i) Number of authorized shares: 119,860,000 shares
(ii) Number of shares outstanding: 48,290,173 shares
(iii) Number of shareholders: 3,187

Major Shareholders

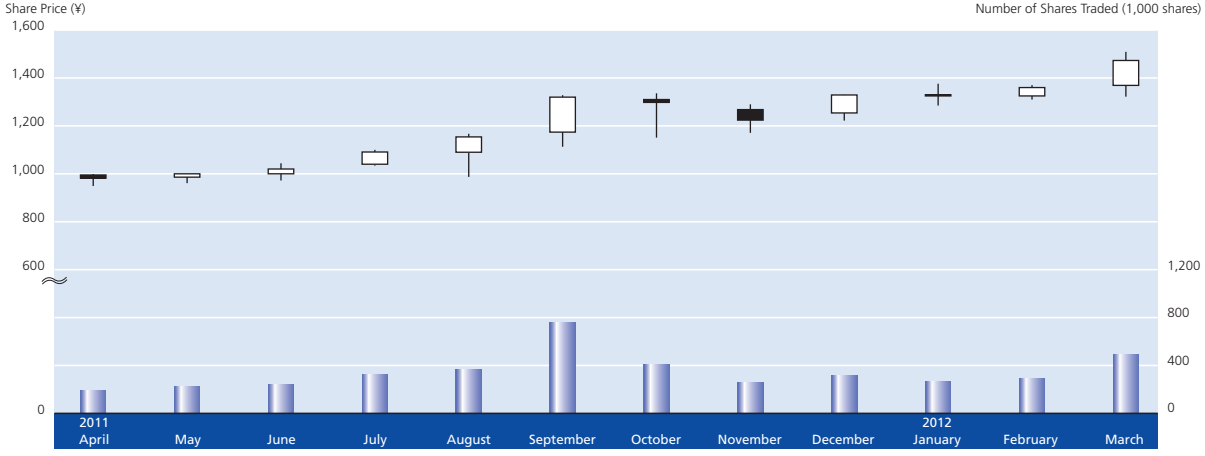
Name of Shareholder	Number of Shares Held	Percentage Held (%)
Ibe Corporation	5,510,770	13.3
Japan Trustee Service Bank, Ltd. (Trust Account)	1,964,000	4.8
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,915,500	4.6
Morinaga Milk Industry Co., Ltd.	1,854,741	4.5
Zeria Pharmaceutical Co., Ltd. Employee Stockholding Plan	1,622,825	3.9
Sachiaki Ibe	1,447,425	3.5
Sumitomo Mitsui Banking Corporation	1,278,301	3.1
Mizuho Bank, Ltd.	1,278,230	3.1
Resona Bank, Limited	1,074,896	2.6
Aioi Nissay Dowa Insurance Co., Ltd.	858,691	2.1

(Note) The percentage held is calculated by subtracting treasury stock (totaling 6,945,027 shares).

Distribution of Shares by Shareholder Type



Share Price and Trading Volume



Shareholder Memo

Fiscal Year	From April 1 of each year to March 31 of the following year
Ordinary General Meeting of Shareholders	Late June of each year
Record Date	Ordinary General Meeting of Shareholders and end of term dividend March 31 of each year Interim dividend September 30 of each year
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Account Management Institution for Special Account	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Mailing Address (Inquiry information)	Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063 TEL: 0120-782-031 (toll-free) Handling operation is conducted in main branch and all domestic branches of Sumitomo Mitsui Trust Bank, Limited.

- **Applications for change of address or for purchase demands of fractional shares, etc.**
  Please send such notifications or applications to the securities company where your account is held.
  For shareholders for whom a special account has been opened because there is no account held by a securities company, please send such notifications or applications to Sumitomo Mitsui Trust Bank, Limited, the account management institution for the special account.

- **Applications for payment of dividends payable**
  Please send such applications to the transfer agent, Sumitomo Mitsui Trust Bank, Limited.

- **Statement of Dividend Calculation**
  The "Statement of Dividend Calculation" that is sent to shareholders at the time of dividends payment serves as your "Payment Notification Statement," based on the provisions of the Act on Special Measures Concerning Taxation. When you file your final tax return, you can use this document as the accompanying documentation.
  Shareholders who receive payment of dividends by the dividend warrant shall also receive the "Statement of Dividend Calculation." Shareholders who file final tax returns should store this document in a secure place.

健康づくりは幸せづくり

ゼリア新薬
ZERIA

Customer Service, Zeria Pharmaceutical Co., Ltd.

10-11 Nihonbashi-kobunacho, Chuo-ku, Tokyo 103-8351
TEL 03-3663-2351 (Main) FAX 03-3663-2352
03-3661-2080
http://www.zeria.co.jp/

The latest IR information may be viewed on the Company's website.

The Company has set up a website for the purpose of providing accurate information on a timely basis. The website contains a broad array of information useful for shareholders and investors, from IR information to the latest news.

URL http://www.zeria.co.jp/english/