Securities Code 4559

60th

Business Report

From April 1, 2013 to March 31, 2014

Contents

ゼリア新薬
ZERIA

To Our Shareholders

We are pleased to report the results of fiscal year 2013 (60th business operations) for the period from April 1, 2013 to March 31, 2014.

During the period of our 7th Mid-Term Management Plan (from fiscal year 2011 to fiscal year 2013), there were substantial improvements in our earnings structure and financial structure, while our stock price moved firmly higher. These positive factors contributed to a substantial improvement in our corporate structure. In addition, Acofide®, a new Zeria-originated drug that is the first-in-class therapeutic agent for functional dyspepsia was put on the market in Japan.

In April 2014, we commenced our 8th Mid-Term Management Plan (from fiscal year 2014 to fiscal year 2016), in which we positioned the three-year period as the time for "Leaping Forward." Under this plan, we will work to vigorously grow the Ethical Pharmaceuticals business and the Consumer Healthcare business, which serve as the two "wheels" of the Zeria Group, and strengthen our foundation as a global company to achieve continuous growth by taking the first step toward business development in Asia following Europe.

On commencing this Mid-Term Management Plan, we decided to renew our management structure. Accordingly, Sachiaki Ibe assumed office as Chairman & CEO and Mitsuhiro Ibe assumed office as President & COO by resolution of a meeting of the Board of Directors held after the conclusion of the 60th Ordinary General Meeting of Shareholders, which was held on June 27, 2014. As Chairman & CEO, Sachiaki Ibe will handle decision-making on overall Group management issues and work to strengthen the Group's business foundation, and Mitsuhiro Ibe, as President & COO, will steadily execute growth strategies including the Mid-Term Management Plan as a person responsible for the operation of the company.

We humbly ask you, our valued shareholders, for further support over the year ahead.

Chairman and CEO Sachiaki Ibe
President and COO Mitsuhiro Ibe

Chairman and CEO
Sachiaki Ibe

President and COO
Mitsuhiro Ibe

To Our Shareholders

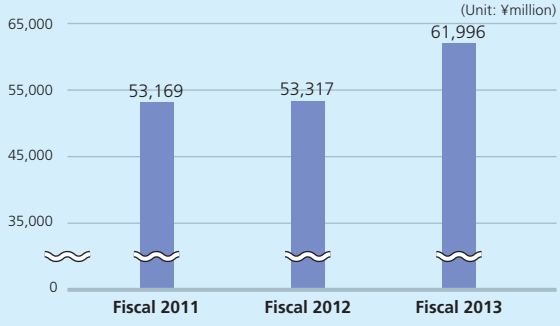
During the fiscal year under review, the Japanese economy followed a path of moderate recovery, with improvements in corporate production activities and personal consumption resulting from the penetration of various measures under Abenomics.

On the other hand, in the pharmaceuticals industry, we continued to see government policy to minimize medical expenses for ethical pharmaceuticals such as the promotion of generic brand pharmaceuticals. Also, in the OTC drug market, the business environment remained difficult mainly because of intensifying market competition reflecting a continued year-on-year decline in domestic demand.

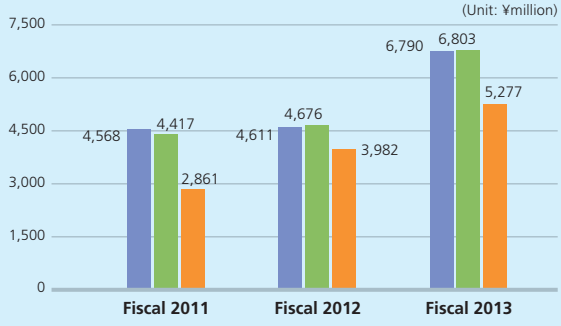
Operating under such circumstances, the Zeria Group actively channeled business resources to achieve its goals for the fiscal year under review, the final year of its 7th Mid-Term Management Plan (from fiscal year 2011 to fiscal year 2013). Specifically, the Group accelerated its work to build the foundation as a global company, and worked to further develop the Ethical Pharmaceuticals business and the Consumer Healthcare business, which have long been the two "wheels" of the Group. In addition, we carried out a share split and made a change to our share unit number in October 2013. In March 2014, with the aim of generating operating funds for future growth, we disposed of treasury stock, procuring a total of 14,632 million yen.

As a result of these activities, sales and profits were both up for fiscal year 2013, in continuation from the previous fiscal year. Net sales were 61,996 million yen (up 16.3% from the previous fiscal year), operating income was 6,790 million yen (up 47.3%), ordinary income was 6,803 million yen (up 45.5%) and net income was 5,277 million yen (up 32.5%).
In fiscal year 2013, the overseas sales to net sales ratio was 13.4%, compared with 12.4% in the previous fiscal year.

Net sales



Operating income( ) / Ordinary income( ) / Net income( )



Ethical Pharmaceuticals Business

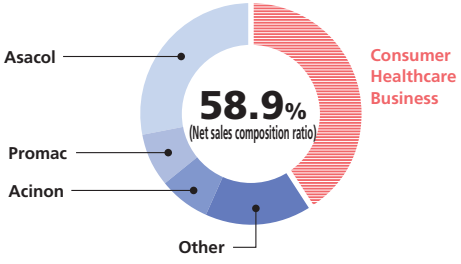
Net sales

¥36,430 million

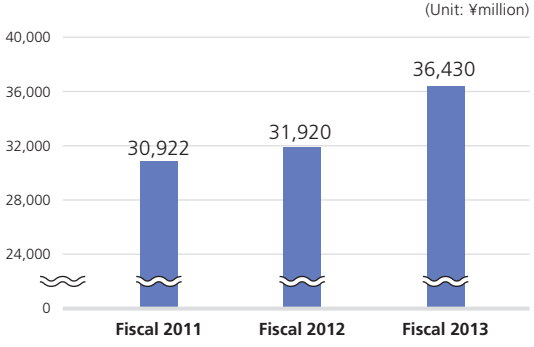
(up 14.1% from the previous fiscal year)

Net sales of major products

Asacol	¥17.19 billion
Promac	¥4.94 billion
Acinon	¥4.48 billion



Consolidated net sales in Ethical Pharmaceuticals Business



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.
As for the mainstay product Asacol®, a therapeutic agent for ulcerative colitis, there was continued sales growth outside Japan through the strengthening of the sales structure of Tillotts Pharma AG (hereinafter "Tillotts Pharma"). Also in Japan we steadily expanded our market share and increased sales of the product with the aim of making it the top product among oral mesalazine formulations. Nevertheless, sales of other products including Acinon®, an H_2 receptor antagonist, and Promac®, a zinc-containing antiulcer agent, struggled due to intensifying market competition. The therapeutic agent for functional dyspepsia Acofide®, for which we obtained marketing authorization in March 2013, was put on sale in June 2013, and we are working in partnership with Astellas Pharma Inc. to quickly achieve market penetration. As a result, net sales in the business amounted to 36.430 billion yen (up 14.1% from the previous fiscal year).

Consumer Healthcare Business

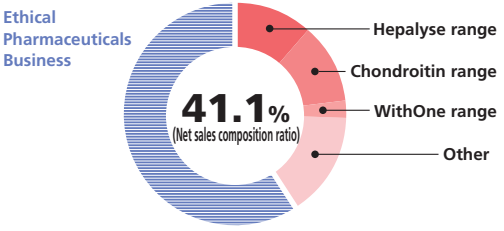
Net sales

¥25,389 million

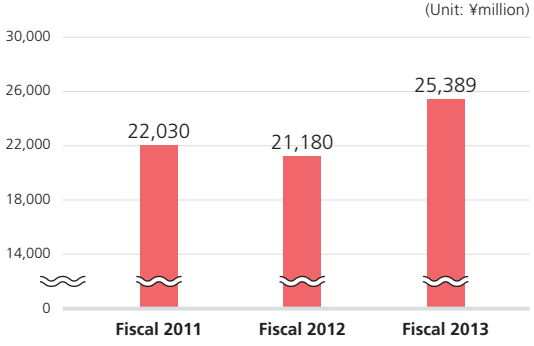
(up 19.9% from the previous fiscal year)

Net sales of major products

Hepalyse range	¥7.18 billion
Chondroitin range	¥7.10 billion
WithOne range	¥1.58 billion



Consolidated net sales in Consumer Healthcare Business



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

The mainstay Hepalyse® range posted substantial sales growth as the result of further enhancement of product awareness through aggressive investment in TV advertisements and other forms of advertising. In particular, sales of Hepalyse® W, a product for sale in convenience stores, showed a dramatic growth partly as a result of the launch of Hepalyse® W Hyper as a top-of-the-line product in the series in October 2013. Sales of the Chondroitin range expanded steadily as a result of sales activities that promoted its effectiveness, safety and high quality as a range of pharmaceuticals and clearly distinguished it from health foods. In addition, sales of the WithOne® range of herbal laxative are increasing steadily.

As a result, net sales in the business amounted to 25.389 billion yen (up 19.9% from the previous fiscal year).

Status of Research and Development

In the Research and Development division, we are actively promoting overseas clinical trials of our own original drugs to develop new drugs that are globally marketable and competitive. At the same time, we are developing in-licensed drugs that have gained global success for the Japanese market.

As part of our endeavors to build our pipeline of new drugs in our priority gastrointestinal field, in June 2013 we carried out the Japan launch of Z-338 (Acofide®), a Zeria-originated drug that was concurrently developed in Japan, Europe and the United States, as a therapeutic agent for functional dyspepsia. Furthermore, we commenced a Phase III trial of the product in Europe.

We are conducting a Phase III trial for Z-206 (Asacol®) for additional dosage and administration for ulcerative colitis in partnership with Kyowa Hakko Kirin Co., Ltd. Regarding its development in China, we submitted an application for approval in May 2013 following the completion of a Phase III trial targeting ulcerative colitis.

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).

In addition, we are making preparations for a global Phase III joint clinical trial for Z-100 targeting cervical cancer in Asian regions including Japan.

For Z-360, we started a global Phase II joint clinical trial in Asian regions including Japan targeting pancreatic cancer.

We are also making preparations for a Phase Ib clinical trial for Z-213, a treatment for iron deficiency anemia in-licensed from Vifor (International) AG of Switzerland.

Regarding Consumer Healthcare products, we obtained the marketing authorization for Prefemin®, a treatment for premenstrual syndrome in-licensed from Max Zeller Söhne AG, in April 2014, and we are making preparations for its launch.

Research and development expenses for the fiscal year under review were 7.464 billion yen (up 32.6% from the previous fiscal year).

Close-up shot

Prefemin® for premenstrual syndrome

Prefemin® (a pharmacist intervention required OTC medicine) for premenstrual syndrome (PMS) is a European herbal medicine with a long history of success as a drug. It contains dried extract of vitex agnus castus (chasteberry), which is traditionally used in Europe in the treatment of a variety of gynecological conditions, including PMS and irregular menstruation, as an active ingredient.

Prefemin® is the first pharmaceutical to be approved in Japan as a treatment for PMS, which has a detrimental effect on the quality of life (QOL) of women. It is expected to help improve the QOL of women by easing mild to medium cases of PMS in combination with non-pharmacological therapies including those for the improvement of lifestyle.

We are developing a number of European herbal medicines including Colpermin®, which is in-licensed from Tillotts Pharma and is currently in the process of application for approval. Going forward, we will build up a series of European herbal medicines as one of our representative categories.

Research and Development Pipeline

Status of Pipeline of New Drugs

I. Domestic

(As of May 13, 2014)

1) Gastrointestinal field

Stage	Development Code/ Generic Name	Development	Indications	Classification	Notes
Phase III	Z-103/ Polaprezinc	Zeria	Taste disorder Promac® additional indication	Zinc replacement	In-licensed
Phase III	Z-206/ Mesalazine	Co-development (Kyowa Hakko Kirin)	Ulcerative colitis Additional dosage and administration for Asacol®	pH-dependent controlled-release formulation	Original (Tillotts Pharma)
Phase II completed	Z-206/ Mesalazine	Co-development (Kyowa Hakko Kirin)	Crohn's disease Asacol® additional indication	pH-dependent controlled-release formulation	Original (Tillotts Pharma)
Phase II	Z-360	Zeria	Pancreatic cancer	Gastrin CCK_2 receptor antagonist	Original Joint trial in Asia

2) Other fields

Stage	Development Code/ Generic Name	Development	Indications	Classification	Notes
Phase III in preparation	Z-100	Zeria	Cervical cancer	Immunomodulator	Original Joint trial in Asia
Phase Ib in preparation	Z-213/Ferric carboxymaltose	Zeria	Iron deficiency anemia	Intravenous iron treatment	In-licensed

Products developed and launched

Launch date	Development Code/ Generic Name	Development	Indications	Classification	Notes
June 6, 2013	Z-338/ Acotiamide	Co-development (Astellas Pharma)	Functional dyspepsia Acofide®	Upper gastrointestinal motility modulator	Original Co-promotion (Astellas Pharma)

II. Overseas

Stage	Development Code/ Generic Name	Development	Indications	Classification	Notes
NDA filed (China)	Z-206/ Mesalazine	Co-development (Tillotts Pharma AG)	Ulcerative colitis Asacol®	pH-dependent controlled-release formulation	Original (Tillotts Pharma)
Phase III (Europe)	Z-338/ Acotiamide	Zeria	Functional dyspepsia	Upper gastrointestinal motility modulator	Original
Phase III in preparation (Asia)	Z-100	Zeria	Cervical cancer	Immunomodulator	Original
Phase II completed (North America)	Z-338/ Acotiamide	Zeria	Functional dyspepsia	Upper gastrointestinal motility modulator	Original
Phase II (Asia)	Z-360	Zeria	Pancreatic cancer	Gastrin CCK_2 receptor antagonist	Original

Reference

Phase I Clinical Trials

After completion of animal studies and confirmation of the efficacy and safety, "drug candidates" 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 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 drugs on the market or against 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 departments, we focused our operations on seeking higher quality and cost efficiencies. Meanwhile, in the Distribution and Logistics related departments, we outsourced logistical 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 was maintained at a high level on the back of sales growth for mainstay products such as Asacol® and the Hepalyse® range, and facilities operated at almost full capacity. In anticipation of continued rises in production of these products and ranges, we will step up our efforts to have an efficient production structure in place while also starting enhancing our production capacity for our mainstay products to secure stable supplies.

Close-up shot

Hepalyse® W Hyper

Hepalyse® W Hyper (soft drink), was put on sale in convenience stores nationwide on October 1, 2013, as the third product in the Hepalyse® W series sold in convenience stores. The new drink contains a strengthened formula of Hepalyse® W as a top-of-the-line product in the series.

Hepalyse® W Hyper contains 20% more liver extract than Hepalyse® W. Newly containing chondroitin as well as turmeric extract (curcumin), the drink has a fresh orange taste with a tart spiciness.

Having added Hepalyse® W Hyper to our lineup, we will continue to support healthy lives for our customers.

Outlook for Fiscal Year 2014

For our consolidated outlook for fiscal year 2014 ending March 31, 2015, we forecast net sales of 69.0 billion yen (up 11.3% from the previous fiscal year), operating income of 7.4 billion yen (up 9.0%), ordinary income of 7.4 billion yen (up 8.8%), and net income of 5.8 billion yen (up 9.9%).

Net sales

In the Ethical Pharmaceuticals business, despite the impact of drug price revisions that took effect in April 2014, we expect an increase in sales primarily from increased sales of the mainstay therapeutic agent for ulcerative colitis Asacol® in Japan and overseas and further market penetration of the therapeutic agent for functional dyspepsia Acofide®, for which long-term prescriptions became possible in June 2014. In the Consumer Healthcare business, we expect an increase in sales from sales expansion for mainstay product ranges such as the Hepalyse® range, the Chondroitin range and the WithOne® range of herbal laxatives.

Income

With respect to income, we forecast higher operating income, ordinary income and net income compared with the fiscal year under review on the back of increased sales of mainstay products, despite an expected further increase in selling, general and administrative expenses from aggressive investment in research and development and advertising.

	60th Term	61st Term (Forecast)
Net Sales	¥61,996 million	¥69,000 million
Operating Income	¥6,790 million	¥7,400 million
Ordinary Income	¥6,803 million	¥7,400 million
Net Income	¥5,277 million	¥5,800 million

Share split and change to share unit number

With the aim of improving the liquidity of our shares and returning profits to our shareholders, we carried out a share split at a ratio of 1.1 to 1 share with the effective date of October 1, 2013.

Furthermore, in order to develop an environment in which it is easier to invest in our shares, expand our investor base and improve the liquidity of our shares, we changed our share unit number from 1,000 to 100 with the effective date of October 1, 2013.

We will continue striving to manage our business in a way that even more fully meets the expectations of our shareholders.

Disposal of treasury stock

In March 2014, we retired 7,650,000 shares of treasury stock, procuring approximately 14.6 billion yen.

The funds procured through this retirement of treasury stock will be used to cover capital investment to secure the production capacity necessary for the stable supply of our mainstay products at both our Saitama and Tsukuba plants, our manufacturing facilities. We will also use funds for research and development for new products and others, and investments for purposes including the establishment of business bases in Asian regions.

We will continue working to achieve sustainable growth for the Zeria Group by strengthening our business foundation and financial base with the funds we have procured.

Introducing treatment for iron deficiency anemia

Zeria Pharmaceutical and Vifor (International) AG (head office: Switzerland; Chief Executive Officer: David R. Ebsworth) have concluded a contract for the exclusive domestic development and sale of the iron deficiency anemia Ferinject® in Japan.

Iron deficiency anemia is a serious complication of many clinical conditions such as chronic heart failure, gastrointestinal disorders, chronic kidney disease and cancer. In Japan the disease is particularly prevalent among women and elderly people. According to an estimate based on the results of a survey on citizens' health and nutrition by Japan's Ministry of Health, Labour and Welfare, as many as 18 million people in the country exhibit signs of anemia mainly due to iron deficiency. It is thought that iron replacement therapy would be an effective way of treating these people.

Ferinject® is an innovative non-dextran intravenous iron replacement therapy drug in which ferric carboxymaltose is the active pharmaceutical ingredient. To date, Ferinject® has gained marketing authorization in 47 countries worldwide for the treatment of iron deficiency where oral iron preparations are ineffective or cannot be used.

We are developing the drug for the treatment of iron deficiency anemia under the development code of Z-213.

Special Offers to Our Shareholders

We offer a hospitality program to our shareholders in recognition of their constant support. Shareholders who own at least 1,000 of our shares can choose from one of the five options A to E. Shareholders who own 100 or more but less than 1,000 of our shares receive option F. 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 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

Option F

Drink containing liver extract and turmeric extract

10 bottles of Hepalyse® W

Financial Statements (Consolidated)

Consolidated Balance Sheets (Summary)

(Unit: ¥million*)

Item \ Term	Prior Consolidated Fiscal Year (As of March 31, 2013)	Current Consolidated Fiscal Year (As of March 31, 2014)
Assets		
Current Assets	**30,236**	**49,902**
Cash and Deposits	7,367	22,202
Notes and Accounts Receivable-Trade	13,625	15,484
Inventories	6,542	7,733
Deferred Tax Assets	797	1,368
Other	1,916	3,122
Allowance for Doubtful Accounts	(12)	(10)
Noncurrent Assets	**48,009**	**49,591**
Property, Plant and Equipment	**21,220**	**21,952**
Buildings and Structures	6,709	7,340
Machinery, Equipment and Vehicles	2,521	2,505
Land	11,593	11,578
Construction in Progress	-	10
Other	395	517
Intangible Assets	**12,621**	**13,250**
Investments and Other Assets	**14,167**	**14,387**
Investment Securities	10,571	10,544
Deferred Tax Assets	974	738
Net defined benefit asset	-	2,023
Other	2,672	1,129
Allowance for Doubtful Accounts	(50)	(47)
Total Assets	**78,246**	**99,493**

Item \ Term	Prior Consolidated Fiscal Year (As of March 31, 2013)	Current Consolidated Fiscal Year (As of March 31, 2014)
Liabilities		
Current Liabilities	**24,827**	**25,953**
Notes and Accounts Payable-Trade	3,308	3,718
Short-Term Loans Payable	15,250	12,593
Other	6,269	9,641
Noncurrent Liabilities	**16,508**	**14,806**
Long-Term Loans Payable	15,665	13,867
Provision for Retirement Benefits	152	-
Net defined benefit liability	-	154
Asset Retirement Obligations	73	73
Other	616	710
Total Liabilities	**41,336**	**40,759**
Net Assets		
Shareholders' Equity	**35,285**	**54,025**
Capital Stock	**6,593**	**6,593**
Capital Surplus	**5,414**	**12,716**
Retained Earnings	**30,598**	**34,717**
Treasury Stock	**(7,320)**	**(2)**
Accumulated Other Comprehensive Income	**1,440**	**4,709**
Valuation Difference on Available-for-Sale Securities	**704**	**1,307**
Foreign Currency Translation Adjustment	**735**	**3,533**
Remeasurements of defined benefit plans	**-**	**(130)**
Minority Interests	**184**	**-**
Total Net Assets	**36,910**	**58,734**
Total Liabilities and Net Assets	**78,246**	**99,493**

Unit: ¥million rounded down to nearest million

Consolidated Statements of Income (Summary)

(Unit: ¥million*)

Item \ Term	Prior Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (From April 1, 2013 to March 31, 2014)
Net Sales	53,317	61,996
Cost of Sales	17,596	18,347
Gross Profit	35,721	43,649
Reversal of Provision for Sales Returns	112	105
Provision for Sales Returns	105	110
Gross Profit-Net	35,728	43,644
Selling, General and Administrative Expenses	31,117	36,854
Operating Income	4,611	6,790
Non-Operating Income	439	332
Non-Operating Expenses	374	318
Ordinary Income	4,676	6,803
Extraordinary Income	1,544	608
Extraordinary Loss	197	102
Income before Income Taxes	6,023	7,309
Income Taxes-Current	1,906	2,562
Income Taxes-Deferred	119	(527)
Income before Minority Interests	3,997	5,274
Minority Interests in Income (Loss)	15	(2)
Net Income	3,982	5,277

Unit: ¥million rounded down to nearest million

Consolidated Statements of Cash Flows (Summary)

(Unit: ¥million*)

Item \ Term	Prior Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (From April 1, 2013 to March 31, 2014)
Net Cash Provided by (Used in) Operating Activities	3,878	6,573
Net Cash Provided by (Used in) Investing Activities	571	(2,013)
Net Cash Provided by (Used in) Financing Activities	(3,340)	9,001
Effect of Exchange Rate Change on Cash and Cash Equivalents	543	1,274
Net Increase in Cash and Cash Equivalents	1,653	14,835
Cash and Cash Equivalents at Beginning of Year	5,581	7,235
Cash and Cash Equivalents at End of Year	7,235	22,070

Unit: ¥million rounded down to nearest million

Consolidated Statements of Changes in Net Assets (Summary) (From April 1, 2013 to March 31, 2014)

(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	Remeasurements of defined benefit plans	Total Accumulated Other Comprehensive Income		
Balance at the Beginning of Current Period	6,593	5,414	30,598	(7,320)	35,285	704	-	735	-	1,440	184	36,910
Changes of Items during the Period												
Dividends from Surplus			(1,157)		(1,157)							(1,157)
Net Income			5,277		5,277							5,277
Purchase of Treasury Stock				(12)	(12)							(12)
Disposal of Treasury Stock		7,301		7,330	14,632							14,632
Net Changes of Items Other than Shareholders' Equity						602	-	2,797	(130)	3,269	(184)	3,085
Total Changes of Items during the Period	-	7,301	4,119	7,317	18,739	602	-	2,797	(130)	3,269	(184)	21,824
Balance at the End of Current Period	6,593	12,716	34,717	(2)	54,025	1,307	-	3,533	(130)	4,709	-	58,734

Unit: ¥million rounded down to nearest million

Company Information (As of March 31, 2014)

Company Outline

Established:	December 1955
Paid-in Capital:	¥6,593,398,500
Number of Employees:	1,322 (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.

Directors and Audit & Supervisory Board Members (As of June 27, 2014)

Chairman and CEO	Sachiaki Ibe
President and COO	Mitsuhiro Ibe
Executive Vice President	Hirokazu Endo
Senior Managing Director	Shigeya Furuhata
Managing Director	Mikio Kan
Managing Director	Shigeru Moriyama
Managing Director	Makoto Kishimoto
Director	Akira Ohno
Director	Yasuhiro Hayashi
Director	Masahiro Fukahori
Director	Yoshihiro Hiraga
Director	Katsuyuki Ishii
Director	Hiroki Kato
Director	Hidekazu Yokote
Director	Toshiaki Kawagoe
Audit & Supervisory Board Member	Masahiko Hanada
Audit & Supervisory Board Member	Koujirou Takami
Audit & Supervisory Board Member (Outside)	Tetsuo Komori
Audit & Supervisory Board Member (Outside)	Yukiko Naka

Branch

- Headquarters
- Sapporo Branch
- Sendai Branch
- Tokyo Branch
- Tokyo 3rd Sales Office
- Kanagawa 1st and 2nd Sales Office
- Saitama Sales Office
- Chiba Sales Office
- Kita Kanto Sales Office
- Koshinetsu Sales Office
- Nagoya Branch
- Shizuoka Sales Office
- Osaka Branch
- Osaka 2nd Sales Office
- Kobe Sales Office
- Keiji Sales Office
- 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
- Other Sales Office: Aomori, Utsunomiya, Kanetsu, Yamaguchi, Yonago, Matsuyama, Kochi, Nagasaki, Kumamoto, Oita, Kagoshima, Okinawa

Number of Consolidated Subsidiaries: 5

Tillotts Pharma AG

Paid-in Capital:	CHF 1.64 million (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, health foods, etc.

ZPD A/S

Paid-in Capital:	DKK 1 million (equity stake: 100%)
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, 2014)

Status of Shares

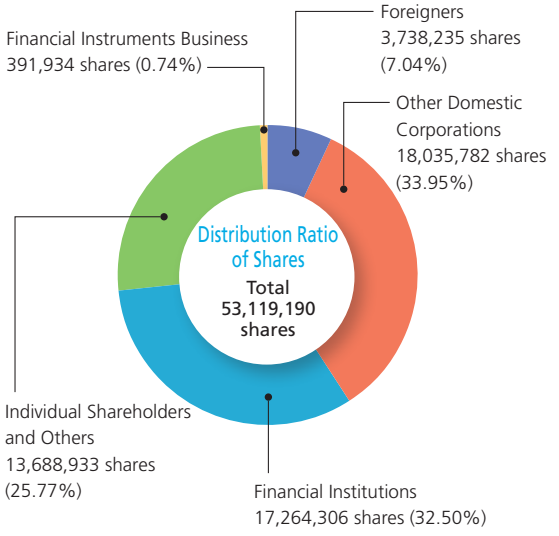
(i) Number of authorized shares:	119,860,000 shares
(ii) Number of shares outstanding:	53,119,190 shares
(iii) Number of shareholders:	9,341

Major Shareholders

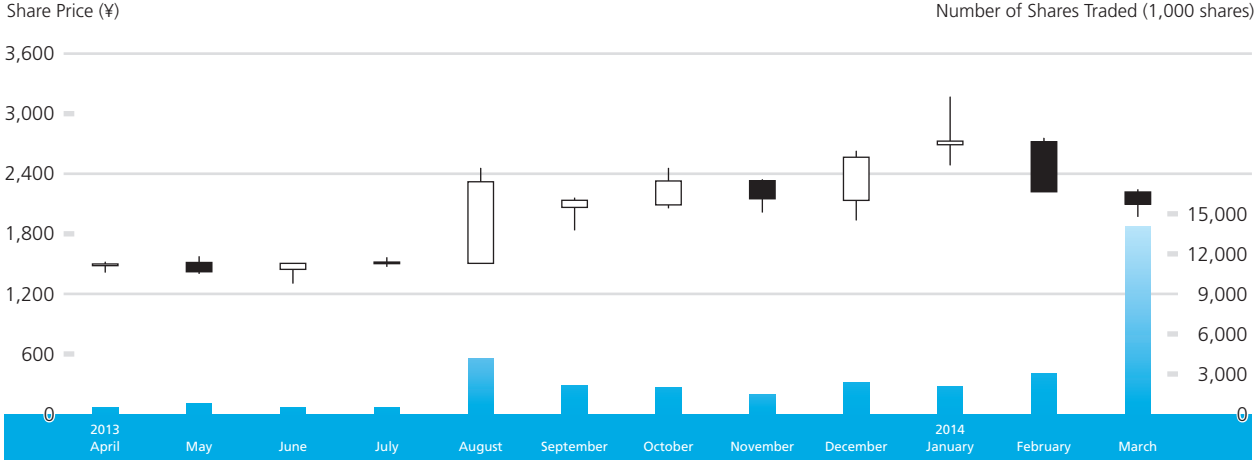
Name of Shareholder	Number of Shares Held	Percentage Held (%)
Ibe Corporation	4,741,847	8.9
Japan Trustee Service Bank, Ltd. (Trust Account)	2,548,900	4.8
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,107,050	4.0
Morinaga Milk Industry Co., Ltd.	2,040,215	3.8
Zeria Pharmaceutical Co., Ltd. Employee Stockholding Plan	1,597,018	3.0
Sachiaki Ibe	1,592,967	3.0
Sumitomo Mitsui Banking Corporation	1,406,131	2.6
Mizuho Bank, Ltd.	1,406,053	2.6
CMBL S.A. RE MUTUAL FUND	1,271,200	2.4
Resona Bank, Limited	1,182,385	2.2

(Note) The percentage held is calculated by subtracting treasury stock (totaling 2,796 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.

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.

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

Customer Service, Zeria Pharmaceutical Co., Ltd.

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