

## 4<sup>th</sup> Medium-term Management Objectives

This is to notify that the medium-term management objectives employed at this company from FY February 2010 to FY February 2014 have been created as follows.

### 1. Earnings forecast

The 5-year earnings forecast ending FY February 2014 is as follows.

< Consolidation (Unit: Millions of yen) >

	2009.2	2014.2E*	CAGR
Sales amount	124,656	190,000	8.8%
Sales profit	32,532	43,500	6.0%
Current profit	32,477	48,300	8.3%
Net profit for current term	19,120	29,000	8.7%

\* Expenditure for unspecified purchases, amortization of goodwill, and in-process R&D, etc. have not been included in the expenditures yet to be specified in the earnings forecast.

\*Currently, there is no medium-term management plan up to 2013 for Noven. The average profit and loss of Noven for FY 2009 has been calculated upon reference of analysts' forecasts.

### II. Basic objectives

The basic objectives as well as the detailed measures in order to achieve the above earnings forecasts are as follows.

#### 1) Products and sales differentiation and enhancement

We are continuing to improve products to meet customer needs. Regarding the medicine operations, the number of MRs has increased, and the provision of information concerning existing products as well as new products anticipating approval is being enhanced. As for OTC, in addition to enhancing already existing products desired by customers, new products are continuously being released onto the market, aiming at increasing the brand power.

- (1) We are aiming at sales totaling 97 billion yen (based on net sales), or at least 54% of the market share for Morhus and Mohrus Tape, external analgesic anti-inflammatory patches in 2<sup>nd</sup> generation.
- (2) We are aiming to nurture products HFT-290 and BTDS to achieve sales of at least 20 billion yen of these products.

- (3) Regarding OTC, we are aiming to achieve at least a 40% share of the external analgesic anti-inflammatory patches market, and at least a 30% share (based on over-the-counter selling price) of the market for athlete foot products.

## **2) Acquisition of international competitiveness**

Releasing company products in the overseas pharmaceutical product market holds an important meaning in order to realize the company's management philosophy "Aiming at improving the QOL of people throughout the world". The company is making its presence in the extensive overseas market, and aiming for a sales share of at least 15% of the overseas market.

- (1) In Asia: Releasing new products, entering markets of new countries, and implementing enhancements of the sales system.
- (2) In the USA: Acquiring approval of medical products under development in the medical pipeline, and along with beginning sales, implementing enhancements of OTC business operations.

## **3) Enhancements in Research and Development of TDDS**

The future of the company is in the current research and development. In research and development, it is our mission to increase the speed and release drugs onto the market faster. In order to achieve this, we carry out selection and centralize, and accelerate the progress of the R&D theme.

- (1) Integrate clinical development know-how of both Japan and the USA and increase the speed.
- (2) Regarding the current pipeline, aiming at approval and release onto the market of 6 themes, completion of P III of 3 themes, current P III implementation of 1 theme, and current P II implementation of 3 themes, as well as creation of new themes and entering clinical trial.

## **4) Continuation of return to stockholders**

Considering future strategic investment, realization of long-term stable dividends and implanting agile stock repurchases. As for numerical targets, we expect a dividend payout ratio of at least 30% and at least 15% of consolidated ROE.