

Boundless Capability of Drug Discovery from the Ground

 GENE TECHNO SCIENCE

MOthers Stock code: 4584

Gene Techno Science Co.,Ltd.

**Results of Operations
for the First Half of the Fiscal Year Ending
March 31, 2014 (FY3/14)**

November 13, 2013


GENE TECHNO SCIENCE

Financial Highlights

◆ First half of FY3/14

	Net sales (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net income (Million yen)	Net income per share (Yen)
Forecast announced on August 5, 2013 (A)	156	(381)	(384)	(386)	(183.33)
Results (B)	156	(186)	(188)	(190)	(90.35)
Change (B-A)	0	195	196	196	

Achieved the sales goal!

Smaller loss due to postponement in recognizing R&D expenses caused by terms for payments to an alliance partner that were different from the expected terms



Actual progress with R&D programs was as planned

Big News of the First Half

Launch of Japan's first biosimilar!

May 2013 – Fuji Pharma and Mochida Pharmaceutical started selling filgrastim biosimilar

Allows supplying an inexpensive drug for treating neutropenia caused by chemotherapy

Capital and business alliance with the Itochu Group!

August 2013 – Capital and business alliance with Itochu Chemical Frontier Corporation

Faster joint development of the first biosimilar will provide a sound base for global expansion

Core Strategy: Use Biosimilars as the Driver of Growth!

Advantages of biosimilars

- (1) Can be developed faster than a new drug
- (2) Much smaller risk of failure for development programs
- (3) Easier on patients and lowers healthcare costs (market is growing due to aging populations in many countries)

Barriers to entry in the biosimilar sector


- (1) Requires the same development process as for biopharmaceuticals
 - Small number of people with experience developing biopharmaceuticals makes it difficult to start this business
- (2) Prices are lower than for new drugs
 - Earning a profit from biosimilars is difficult for large companies because of their enormous fixed expenses



The competitive edge of Gene Techno Science

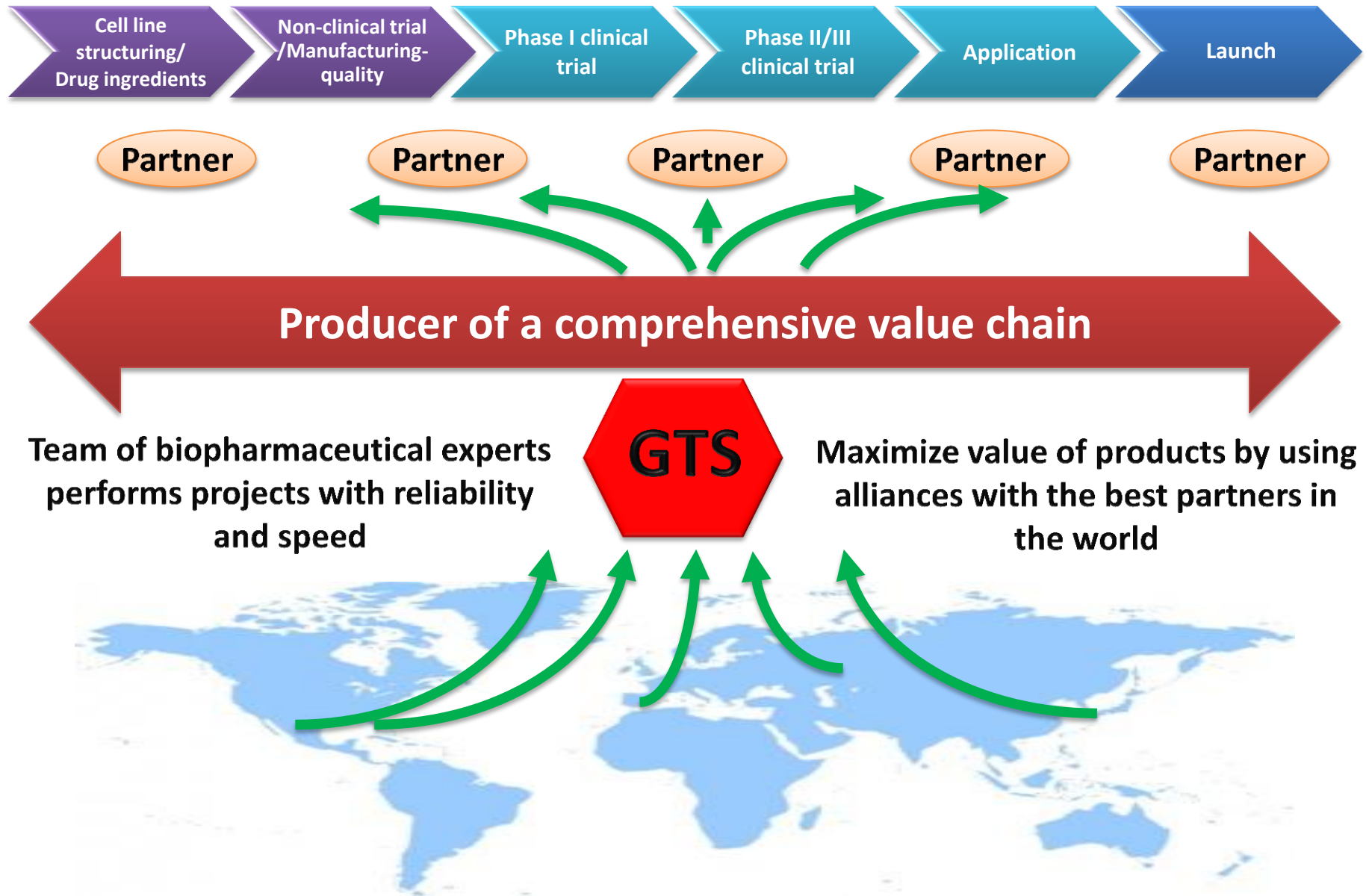
A small company with many experienced drug development professionals

Biosimilars with high prospects for success allow quickly creating cash cows



The Biosimilar Value Chain

–Only an Organization of Specialists Can Create



The Biosimilar Markets Targeted by Gene Techno Science

Global market for biosimilars (estimates by GTS)

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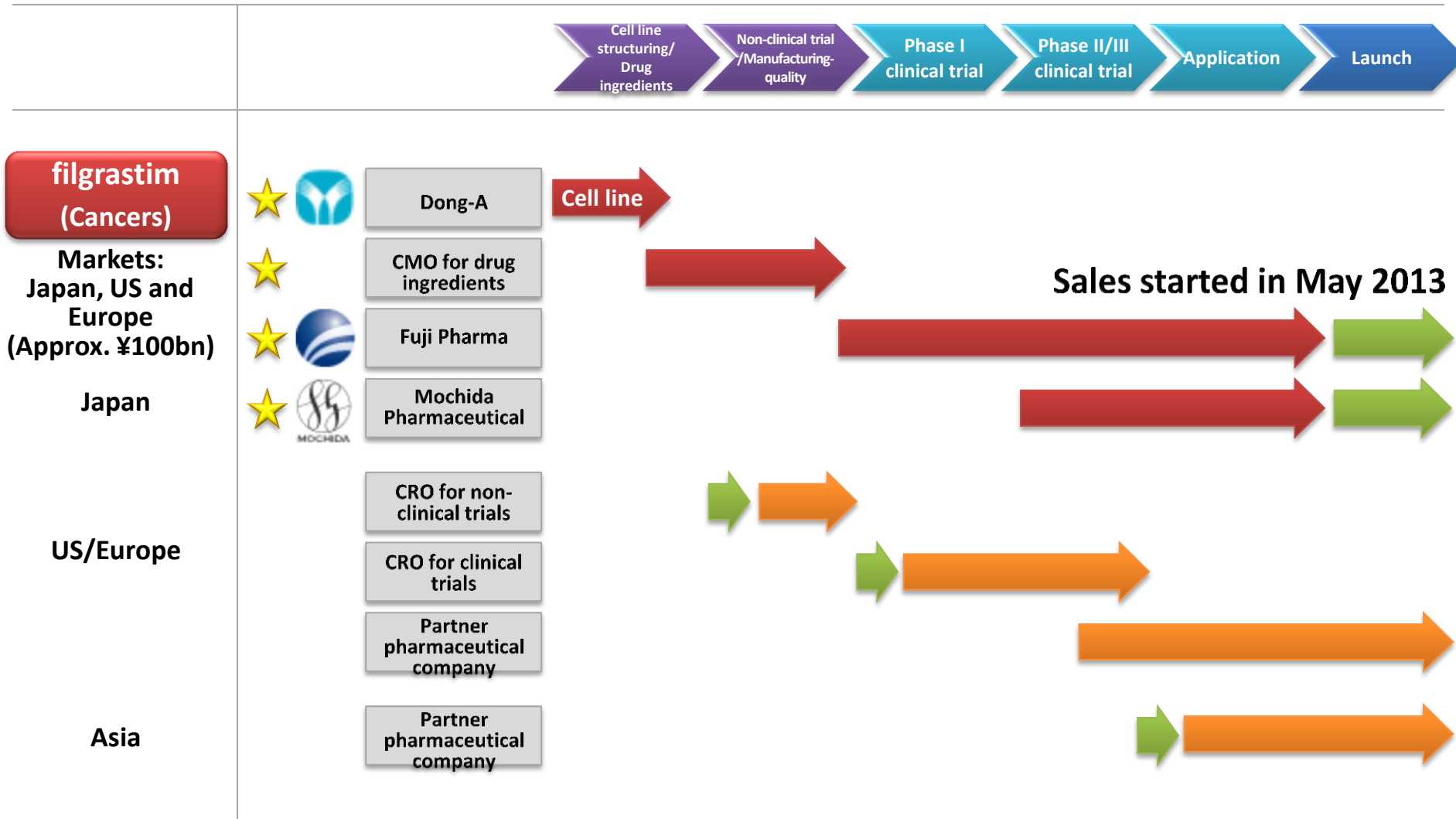


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Approx.
¥5 trillion

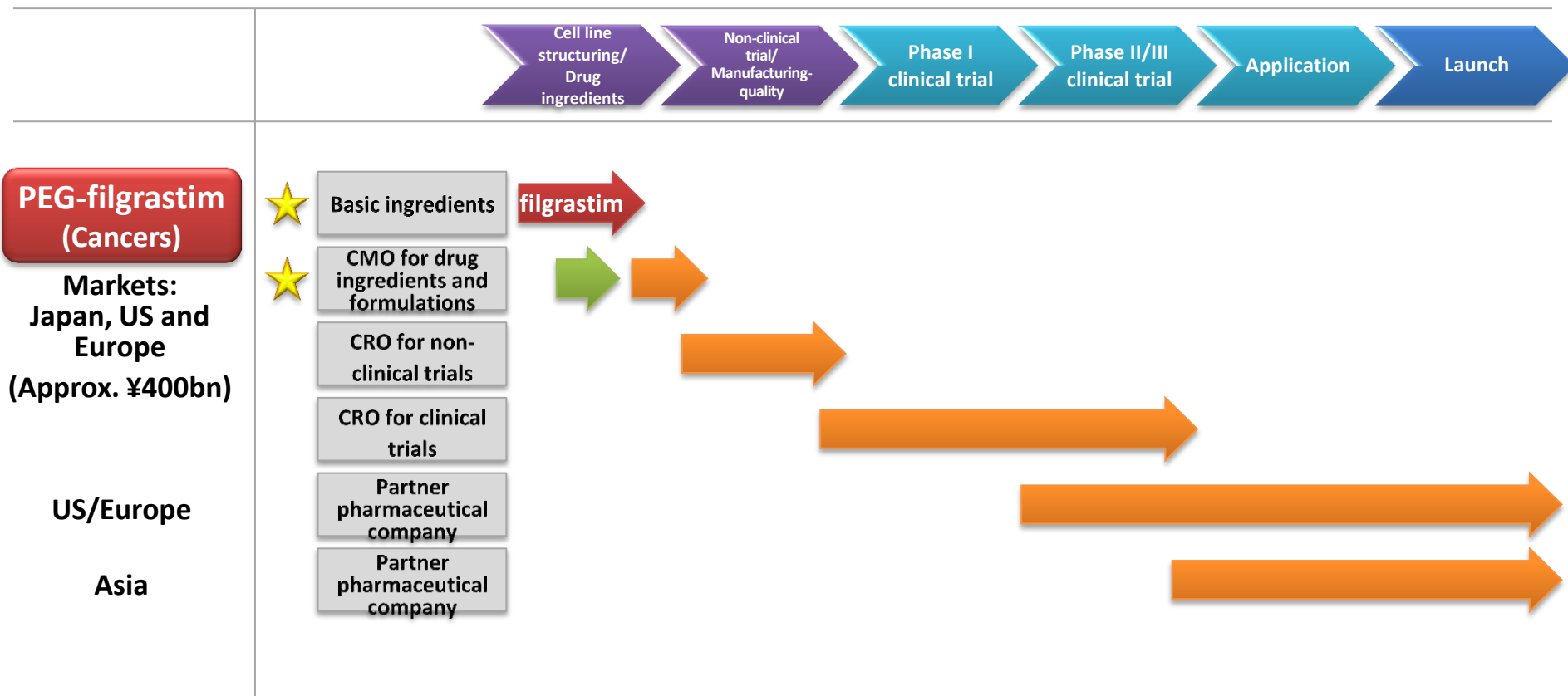
Aiming to dominate this massive market!

Biosimilar Business: Pipeline Progress Report (1)



★ Have alliances with partners
 ➔ Activities up to end of FY3/13
 ➔ Progress in FY3/14
 ➔ Planned progress in FY3/15 onward

Biosimilar Business: Pipeline Progress Report (2)



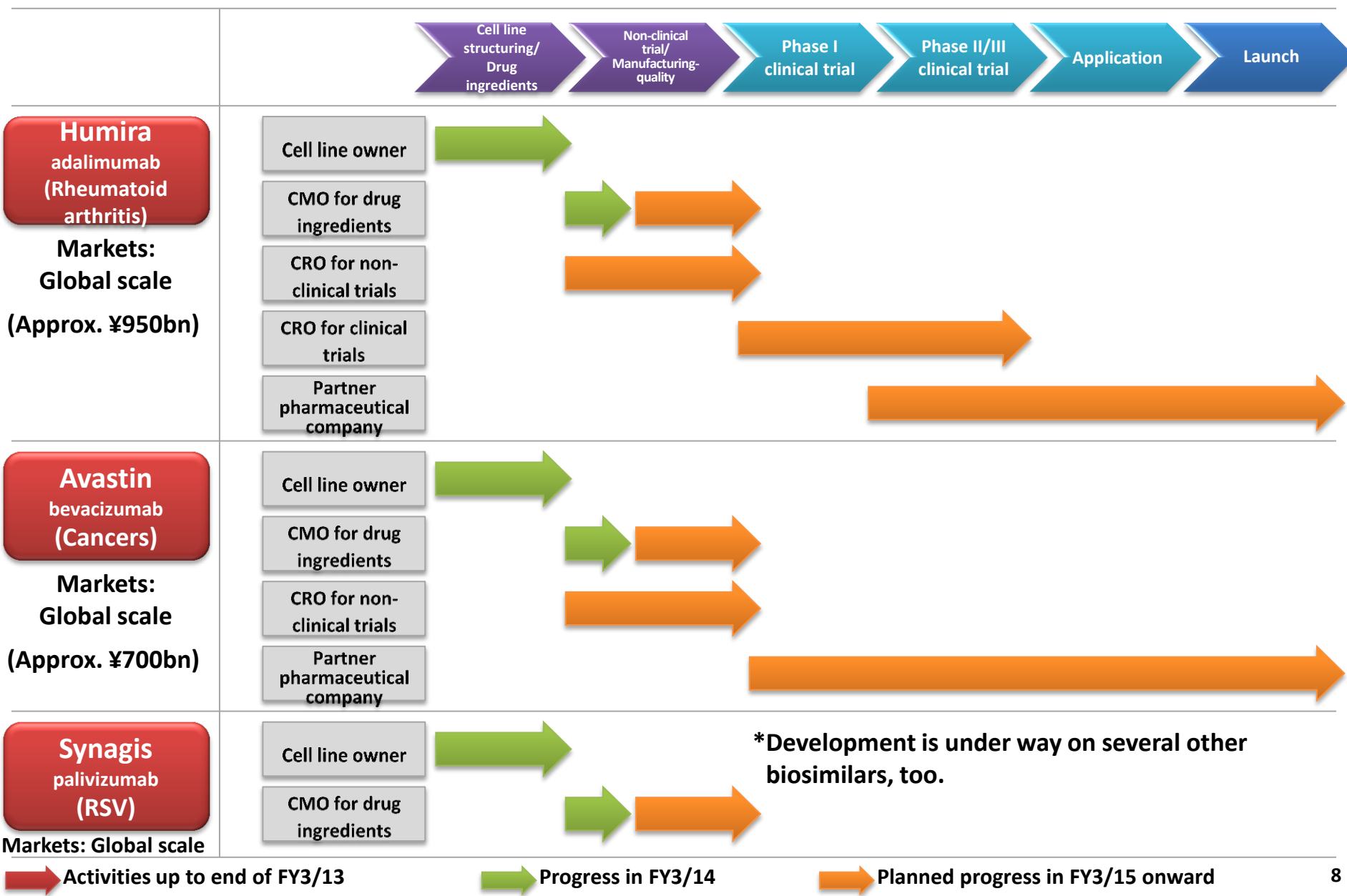
★ Have alliances with partners

→ Activities up to end of FY3/13

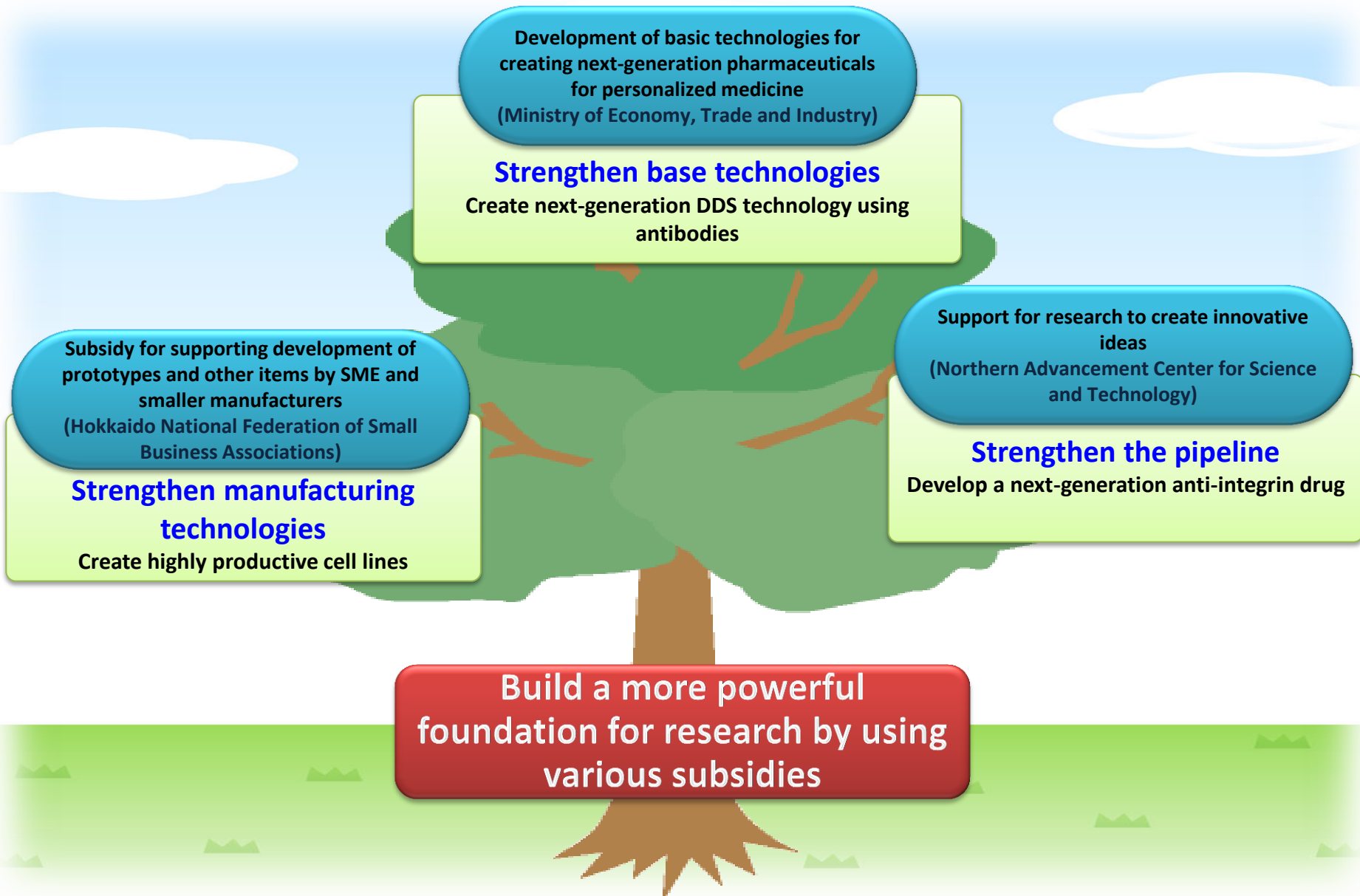
→ Progress in FY3/14

→ Planned progress in FY3/15 onward

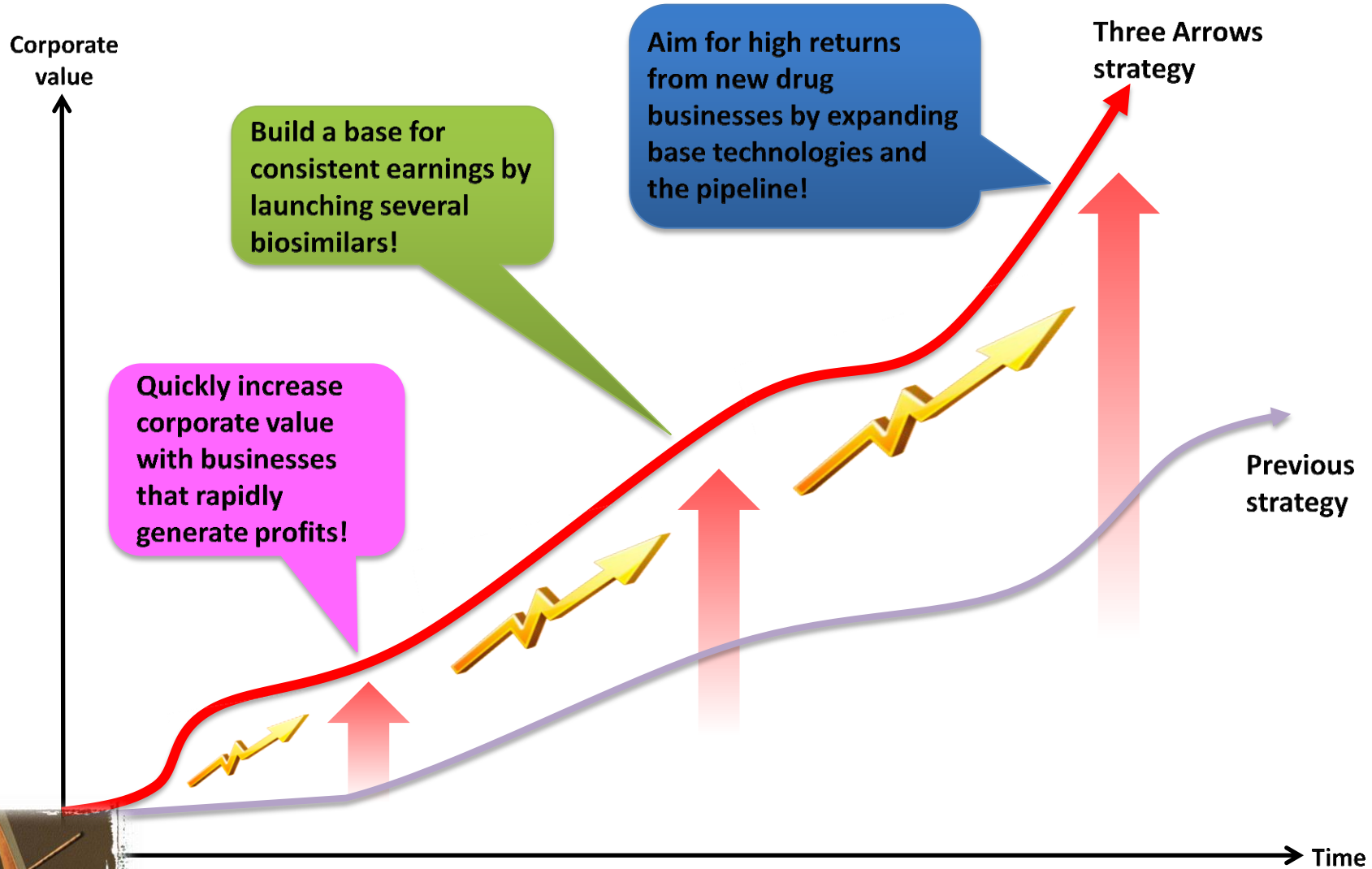
Biosimilar Business: Pipeline Progress Report (3)



Highlights of New Biologics Business



The “Three Arrows” Strategy Aims to Increase Corporate Value



 **Disclaimer**

This presentation was prepared for the purpose of providing information about the current operations of Gene Techno Science Co.,Ltd.

Information in this presentation is based on the current economic and social situation as well as assumptions that Gene Techno Science Co.,Ltd. believes are reasonable. This information may be revised without prior notice due to a change in the operating environment or for other reasons.

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