



Boundless Capability of Drug Discovery from the Ground

Gene Techno Science Co.,Ltd.

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

May 16, 2014

Mothers Stock code: 4584

Financial Highlights

◆ FY3/14 Review of Operations

	Net sales (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net income (Million yen)	Net income per share (Yen)
Forecast announced on March 4, 2014 (A)	299	(596)	(601)	(604)	(279.57)
Results (B)	301	(512)	(516)	(519)	(240.15)
Change (B-A)	2	83	85	85	

(1) filgrastim sales were as planned
(2) Recorded additional fee income

Some development expenses
planned for March were recorded
instead in April





Development activities are
progressing largely as planned

Business Highlights (1)

Accomplishment 1

Procured funds for development programs and added new partners

- (1) Whiz Partners Inc.  made investment in Gene Techno Science
- (2) Established a capital and business alliance with Itochu Chemical Frontier Corporation 



- Increased the pace of biosimilar development by procuring ¥3 billion
- Using the networks of Whiz Partners and Itochu Chemical Frontier has dramatically increased the volume of information about prospective alliance partners

Accomplishment 2


Significant progress with core pipeline items

- (1) Sales of filgrastim began in May 2013, Japan's first biosimilar
→ Sold to medical institutions by Fuji Pharma Co., Ltd.  and Mochida Pharmaceutical Co., Ltd. 
- (2) Progress with creating PEG-filgrastim production
→ Following the launch of filgrastim, full-scale development has started on PEG-filgrastim, a next-generation version of filgrastim
Planning on starting overseas operations now that a development process for biosimilars has been established

Business Highlights (2)

Accomplishment 3

Established alliance with a pharmaceutical company

Starting of the joint development of darbepoetin alfa biosimilars with Sanwa Kagaku Kenkyusho Co., Ltd. 



Last step will be an alliance with a pharmaceutical company to market these products (to establish an exit from the development phase)

Accomplishment 4

Strengthen base technologies and recruitment

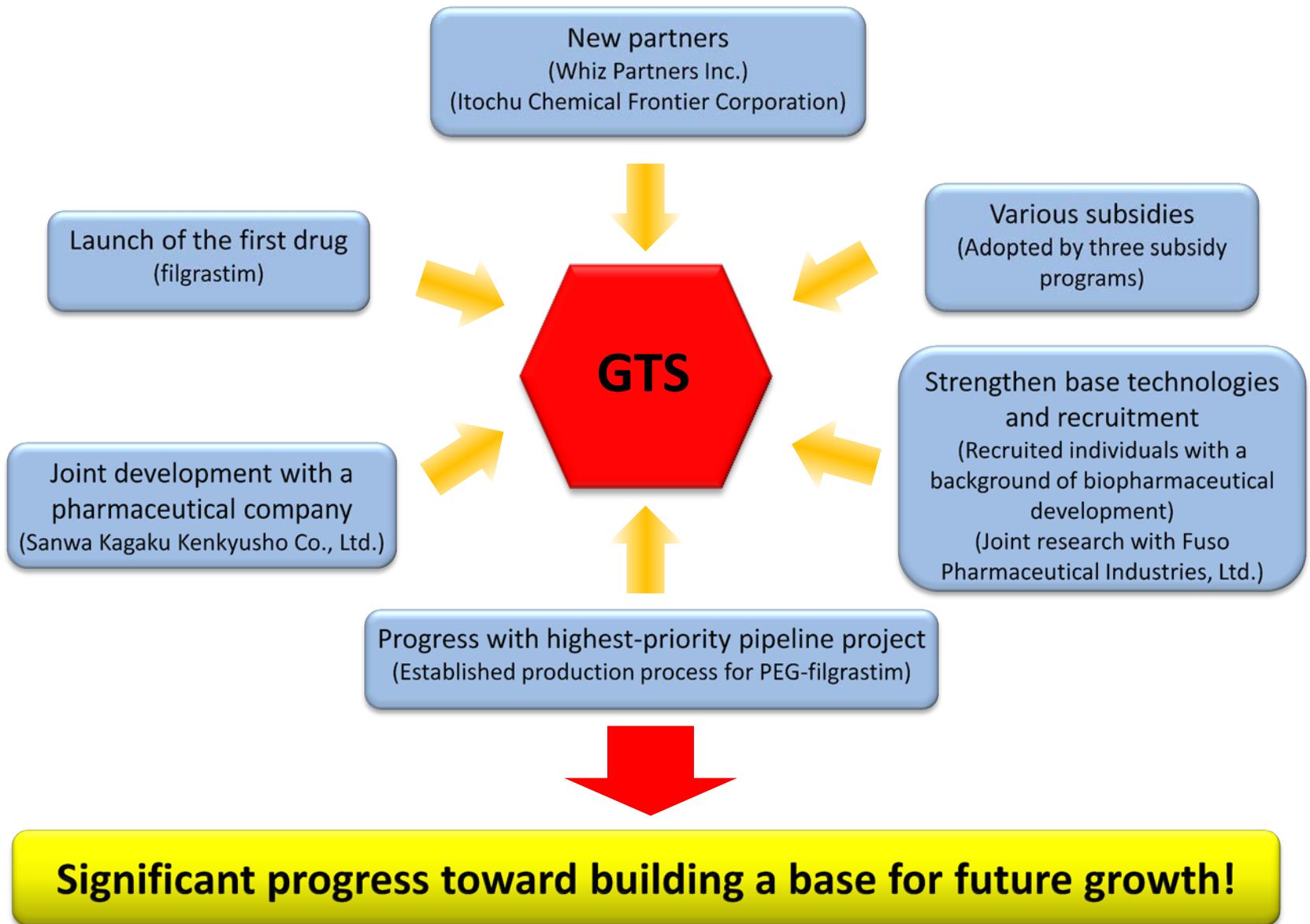
- (1) Started R&D for next-generation antibody drugs
- (2) Started joint research with Fuso Pharmaceutical Industries, Ltd. for the creation of high productivity cells
- (3) Recruited individuals with a variety of backgrounds involving the development of biopharmaceuticals

Accomplishment 5

A foundation for R&D by using various subsidies

Adopted by three subsidy programs, allowing R&D for base technologies and other purposes without large expenditures

Business Highlights (Summary)



FY3/15 Forecast

	Net sales (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net income (Million yen)	Net income per share (Yen)
FY3/14 Results (A)	301	(512)	(516)	(519)	(240.15)
FY3/15 Forecast (B)	310	(970)	(946)	(948)	(397.97)
Change (B-A)	9	(458)	(430)	(429)	

Sales include only confirmed orders for filgrastim
 ↓
 But current activities may produce additional sales
 ↓
 Aggressively pursuing opportunities for higher sales!

Development expenditures are peaking as we aim to start clinical trials for the second and third biosimilars
 ↓
 Our goal is to increase added value greatly while selling licenses to pharmaceutical companies!

A clearly defined strategy for sales growth!

Key Initiatives in FY3/15 to promote Businesses

**filgrastim
(PEG-filgrastim)**



- ✓ Overseas development activities and alliances
- ✓ Maximize the value of filgrastim (PEG-filgrastim)

New biosimilars



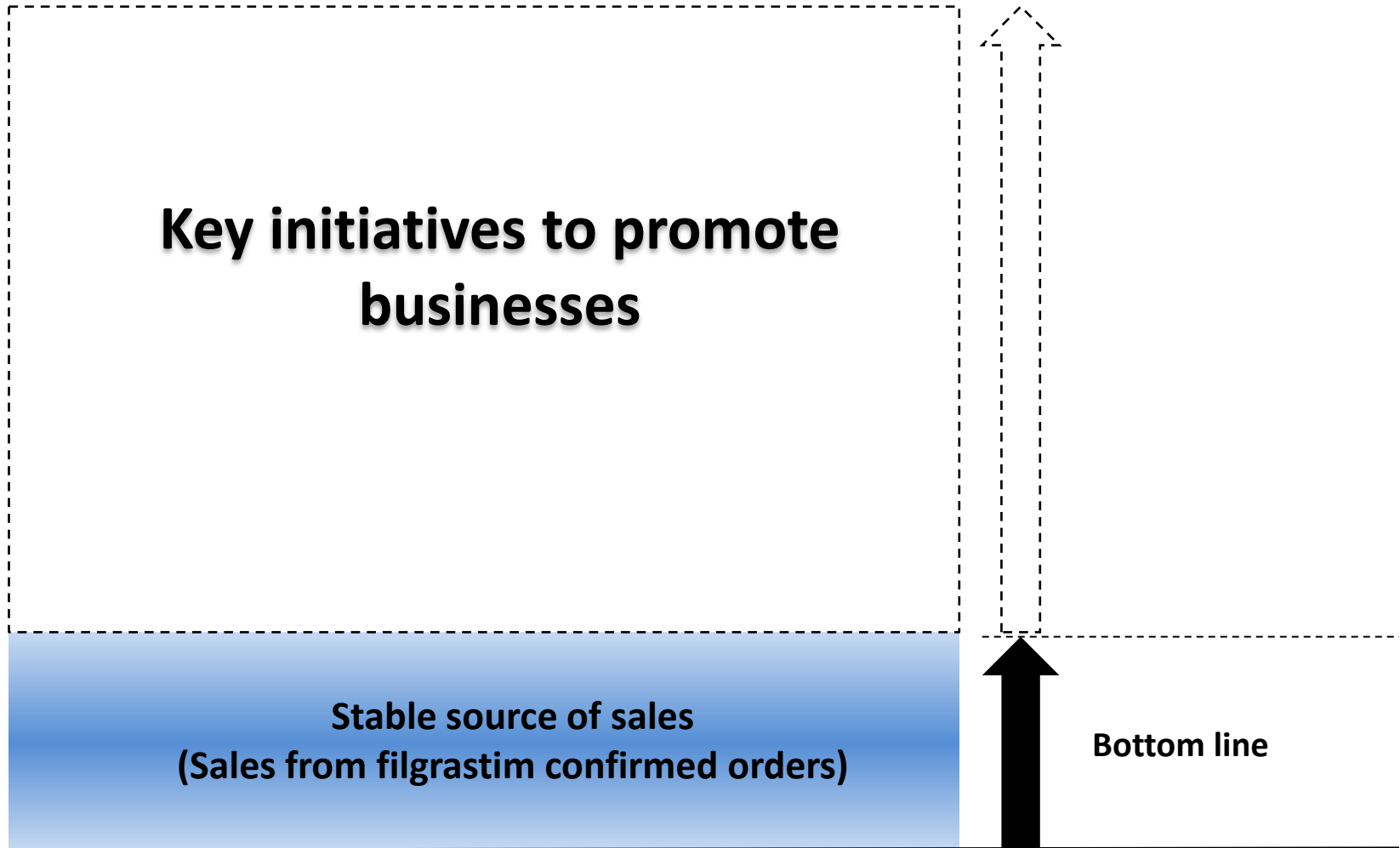
- ✓ Steady progress with joint development themes
- ✓ Develop new biosimilars to enable forming more alliances with pharmaceutical companies in Japan and other countries

Health care

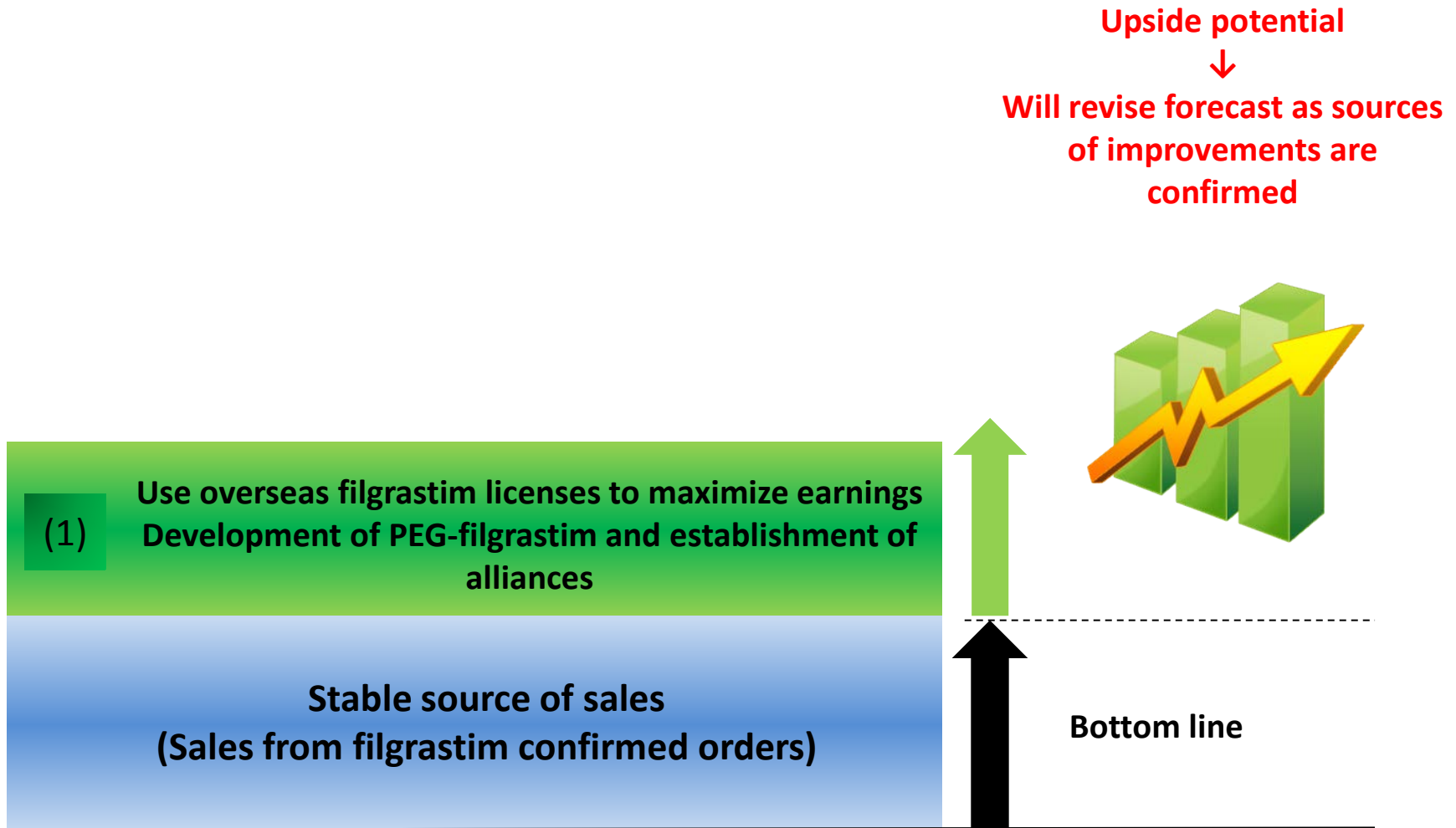


- ✓ Perform study in China of markets in the health care sector
- ✓ Use Japanese quality to develop products and offer new ideas

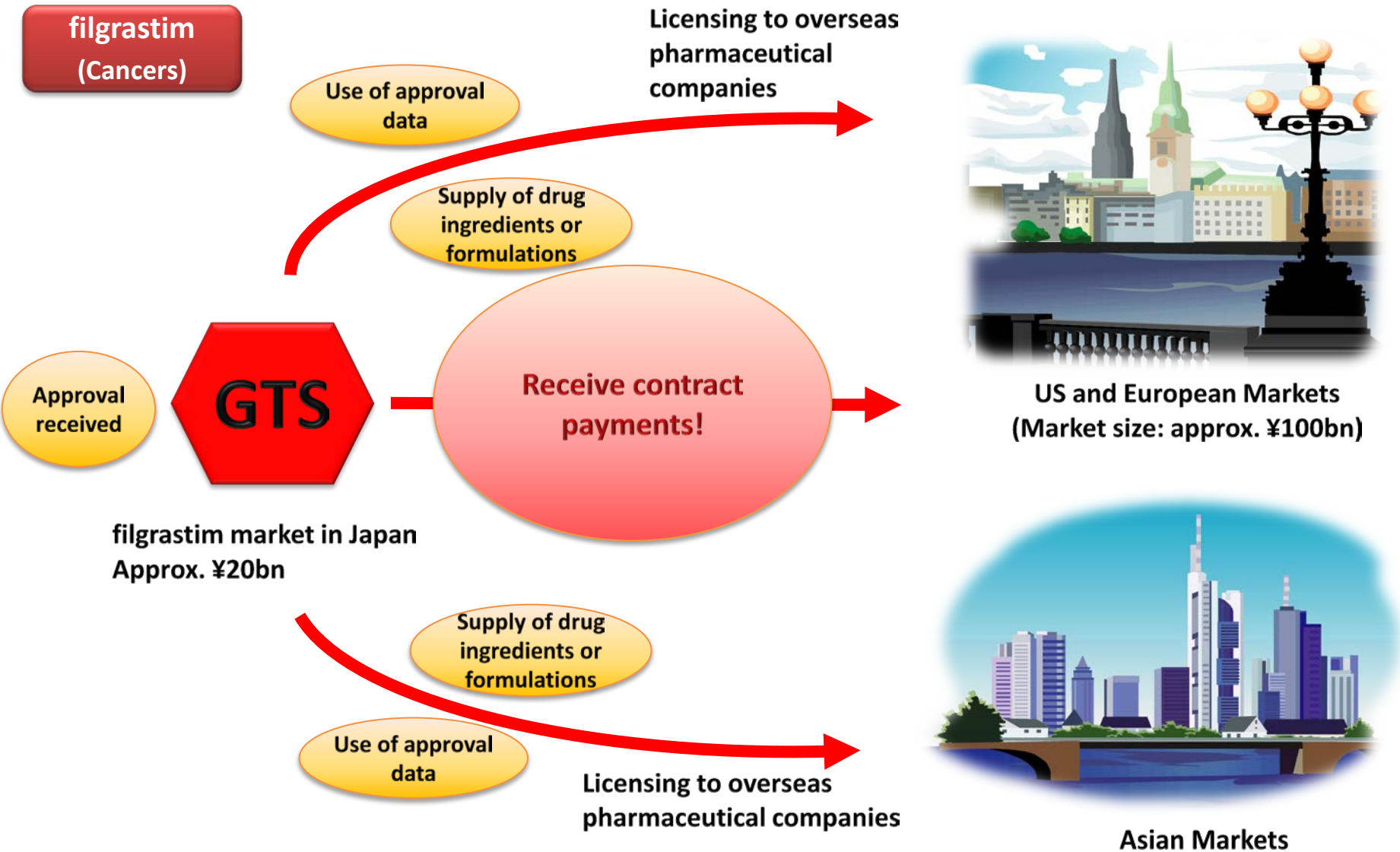
Progress Toward Sales Growth – Today



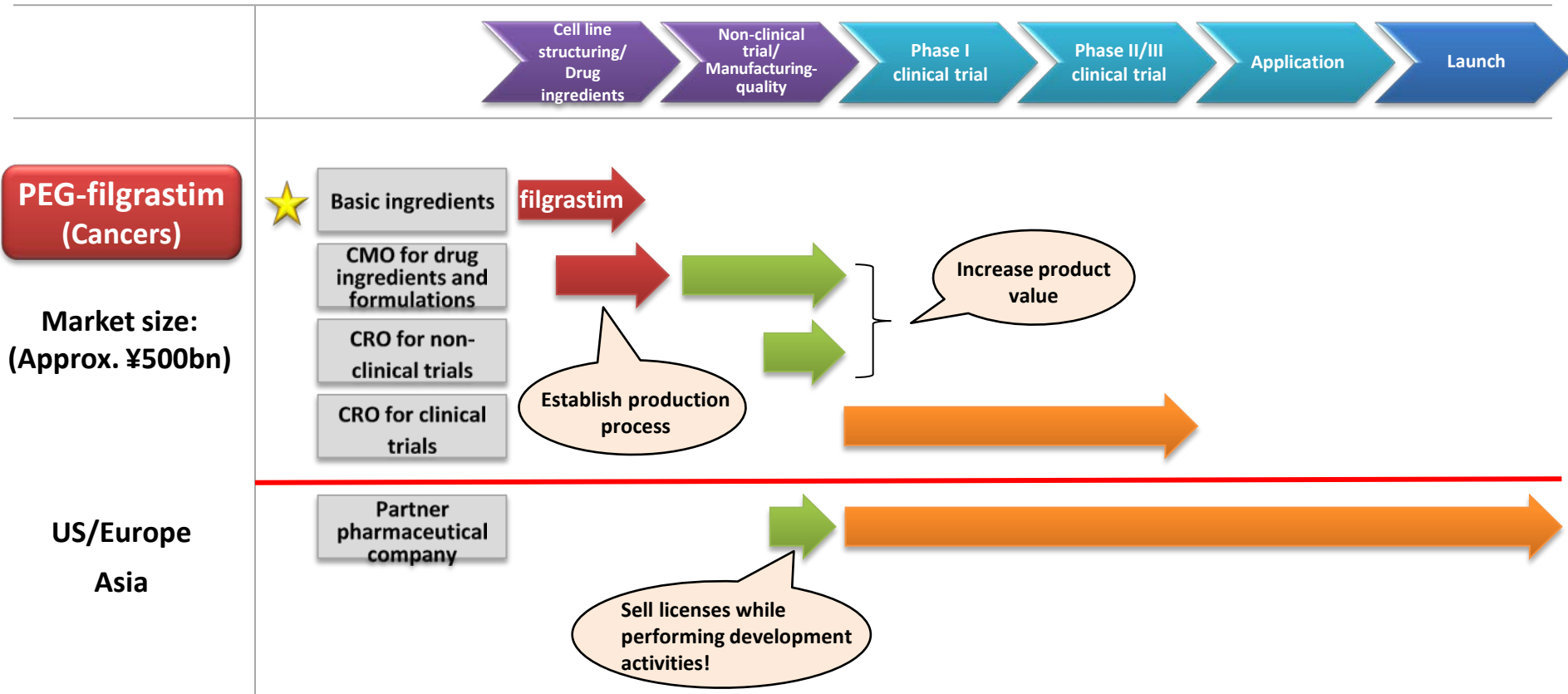
Progress Toward Sales Growth (1)



Use Overseas Filgrastim Licenses to Maximize Earnings



Filgrastim Value Growth and Use of Alliances



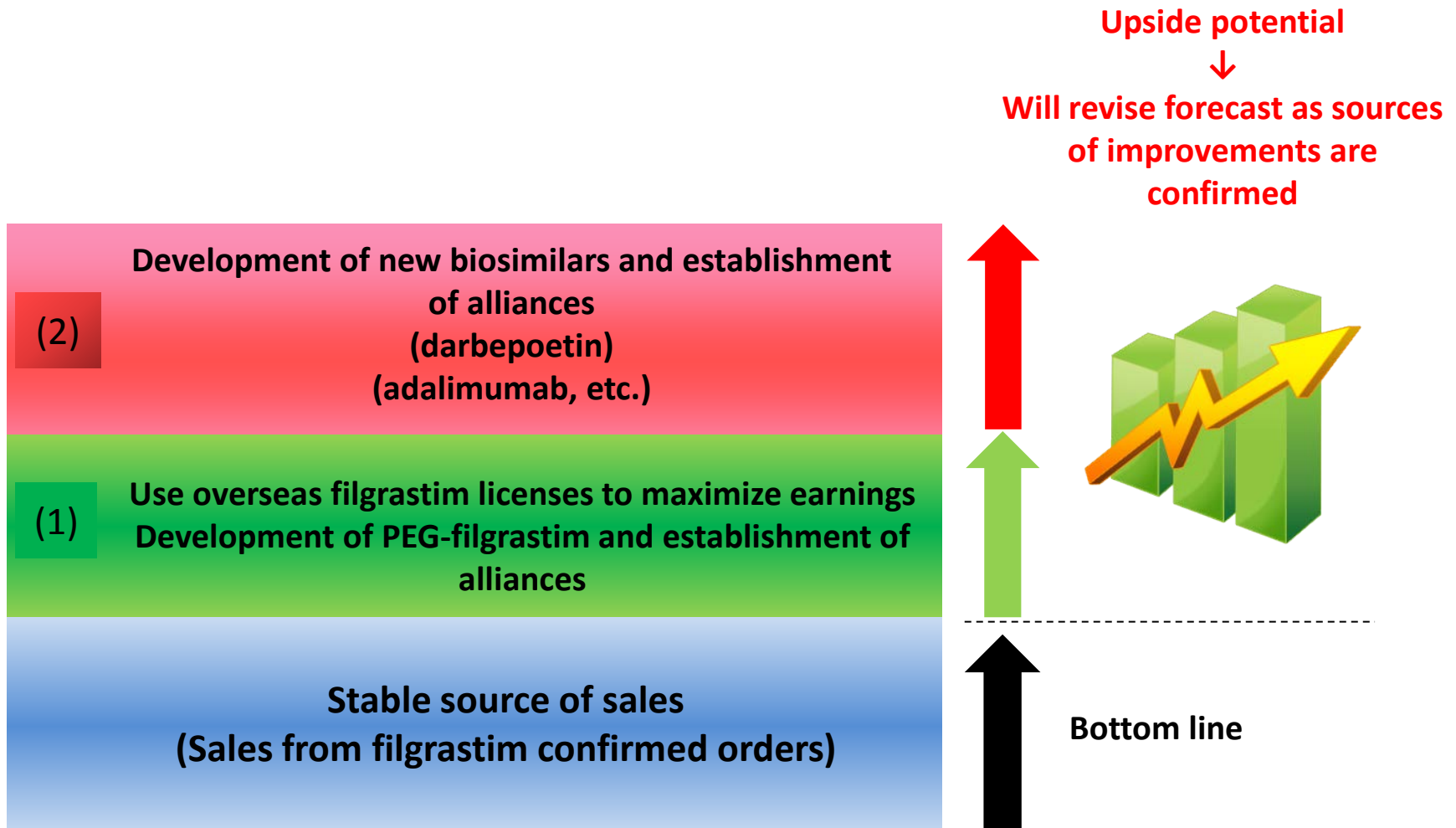
★ Secure

→ Activities up to end of FY3/14

→ Progress in FY3/15

→ Planned progress in fiscal FY3/16 onward

Progress Toward Sales Growth (2)



Build a Value Chain for New Biosimilars

darbepoetin alfa
(Renal anemia)

Market size:
(Approx. ¥60bn)



Dong-A ST

Development
license



Sanwa Kagaku Kenkyusho

Joint development

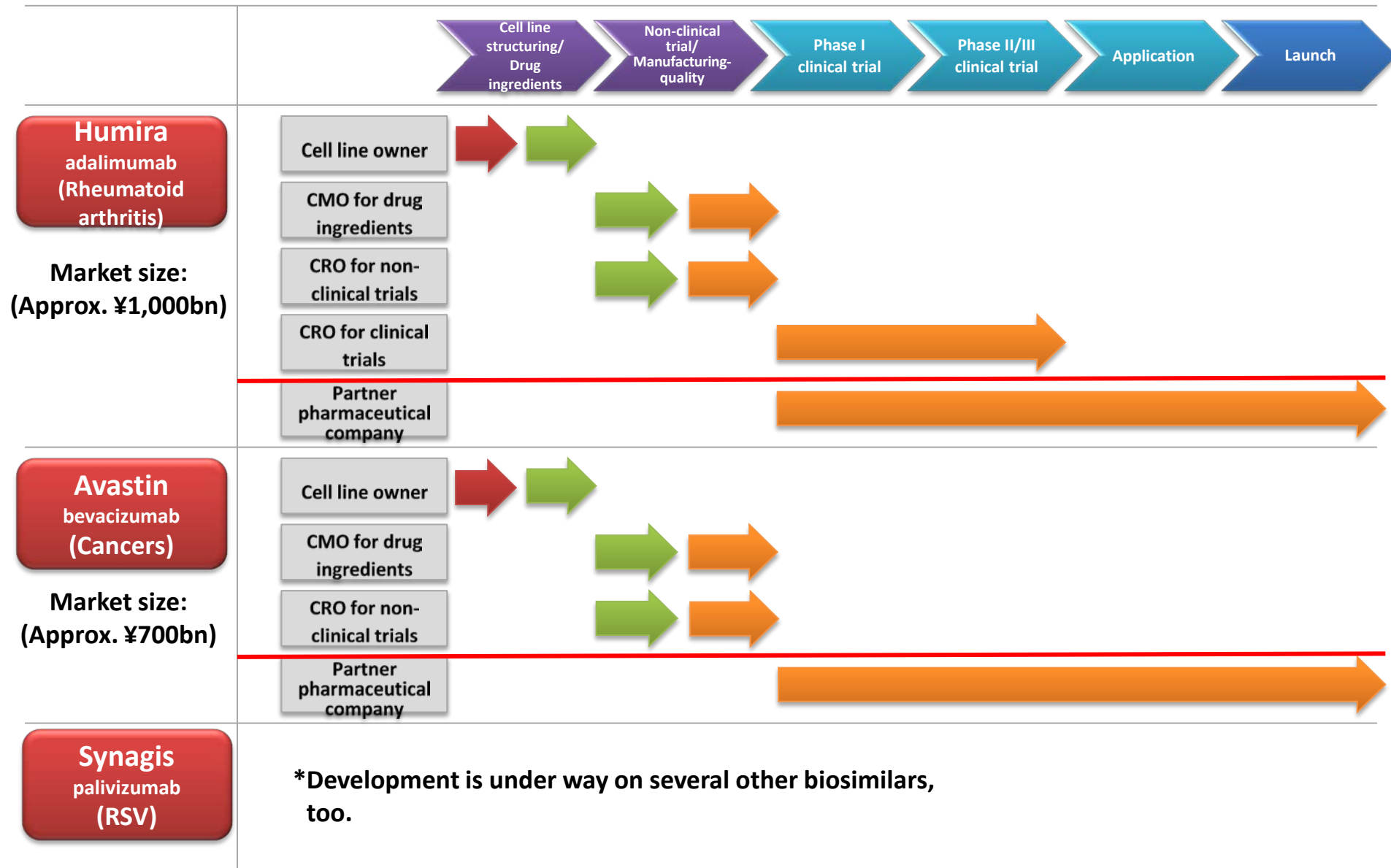
Provision of expertise for
development

Confirmation of manufacturing
process and quality

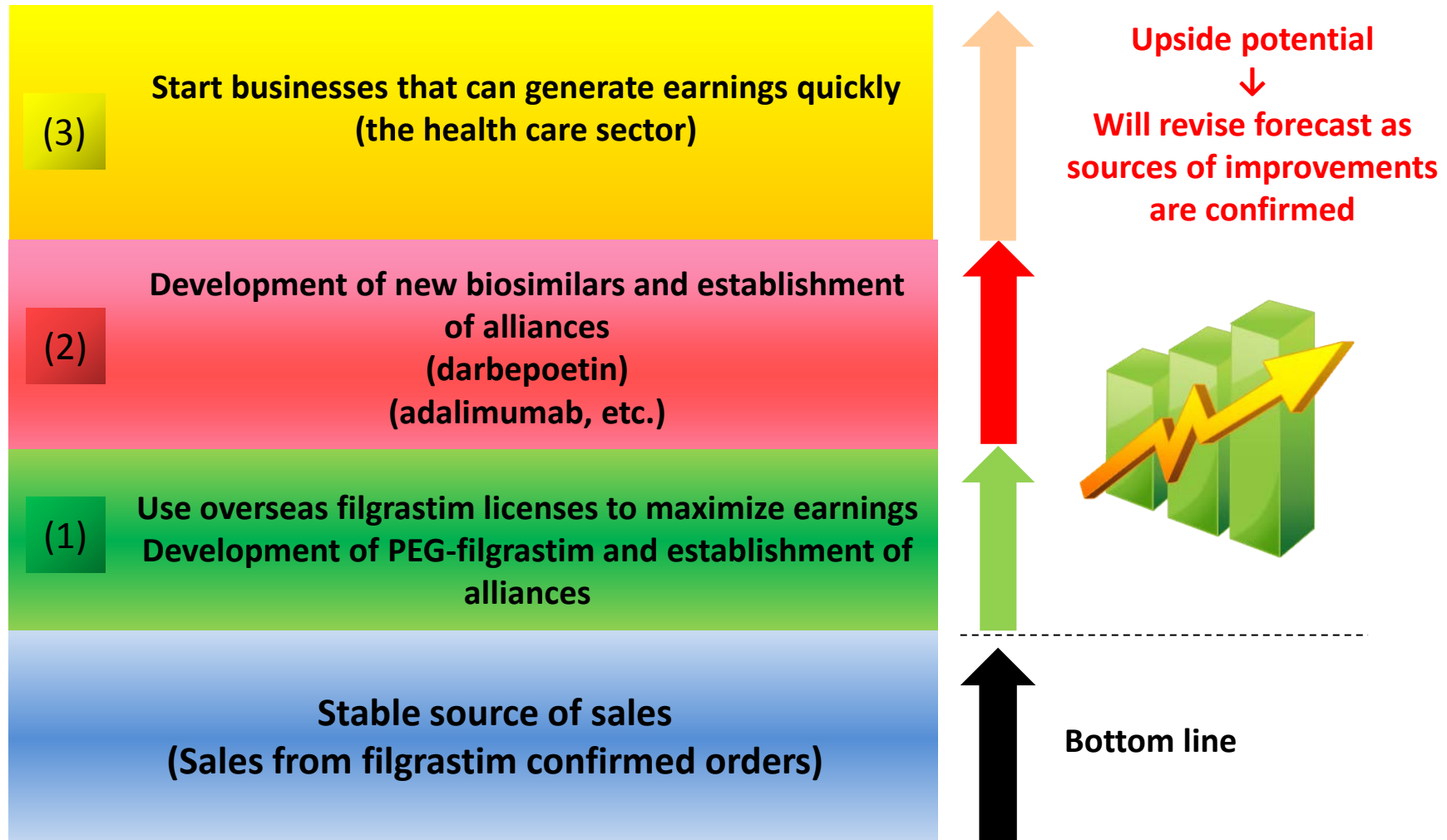
GTS

**Establishing joint development alliances with pharmaceutical companies that will market the drug spreads out risk and secures future earnings!
(A complete value chain)**

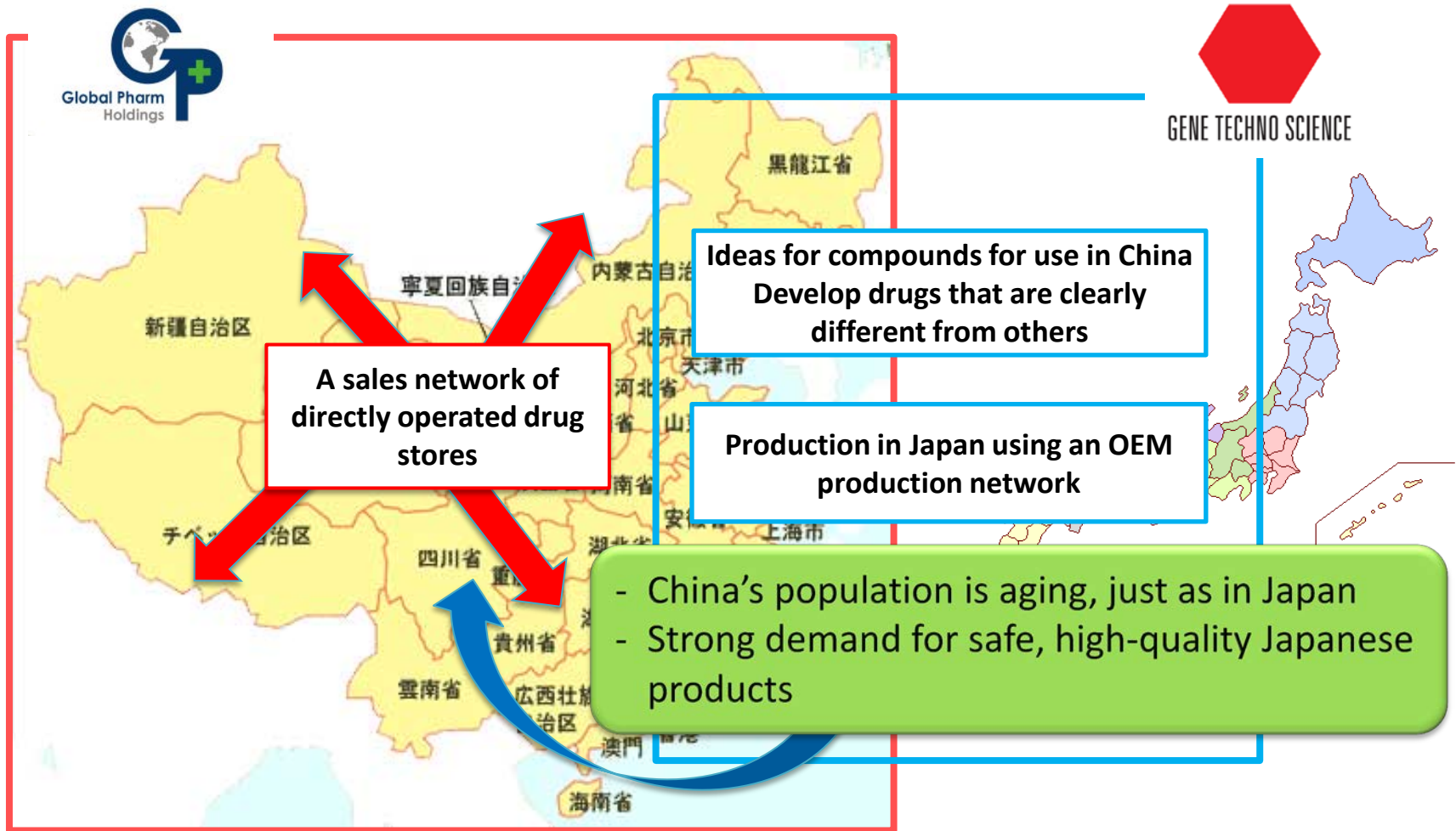
Initiatives to Form New Alliances



Progress Toward Sales Growth (3)



Start Businesses that Can Generate Earnings Quickly (the Health Care Sector)



Corporate Value Growth Vector



 **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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