



November 12, 2015

Gene Techno Science Co., Ltd.

Code: 4584 (TSE Mothers)

President

Masanari Kawaminami

Announcement of Revision of the Operational Guideline

Gene Techno Science Co., Ltd. (“GTS”) announced the revision of Operational Guideline for the fiscal year 2015 (April 01, 2015 to March 31, 2016, accumulated) released in the summary of the Company’s financial statement dated May 14, 2015.

The revision of non-consolidated Operational Guideline of the fiscal year 2015 (from April 1, 2015 to March 31, 2016, accumulated)

(Unit: Million Japanese Yen)

	Net sales	Operating income	Ordinary income	Net income	EPS
Guideline, dated May 14 (A)	1,022	(-)602	(-)573	(-)575	(-)232.62
Revised Guideline (B)	1,132	(-)1,045	(-)1,019	(-)1,021	(-)404.73
Difference (B)-(A)	110	(-)443	(-)445	(-)445	
Ratio of Difference (%)	10.8	-	-	-	
Reference: Actual of the same period of the previous year (2014)	321	(-)824	(-)790	(-)792	(-)331.86

Reason of Revision:

The sales, as announced in “Announcement of Revision of the Operational Guideline” dated August 26, 2015, is showing strong sales of G-CSF biosimilar, and is expected to exceed the original annual Guideline.

On the other hand, as announced today in “Announcement of signing of Memorandum of Understanding with Senju Pharmaceutical Co., Ltd. regarding Collaboration for a Biosimilar product in the Ophthalmology field”, and “Announcement of Revision of Research & Development Expenditure Purpose and Time Schedule related to the 1st Convertible Bond and the 2nd Stock Acquisition Rights”, the priority of the pipeline was revised due to either the signing of a collaboration agreement with a

business partner or high expectancy of such collaboration. In order to expedite development stage for earlier commencement of sales and to accelerate earnings of milestone payment for the prioritized pipeline items, the development expense increased. The original development expense, 739 million Japanese Yen, announced in “Forecast for the fiscal year 2015, ending March 31, 2016” dated April 10, 2015, will increase by 557 million Japanese Yen to 1,296 million Japanese Yen. This increase will be covered by the sales increase of G-CSF biosimilar and cash payment related to the capital alliance of Senju Pharmaceutical Co., Ltd., assuring stable management of the company. The operating loss increase will be 443 million Japanese Yen, ordinary loss increase will be 445 million Japanese Yen.

(Note: The revision and other future perspectives are sole judgement of GTS based on information available and hypothesis which GTS judges rational. The actual performance may vary due to various factors.)

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