

FY2/08

results supplementary material

These materials contain our earnings outlook. While our earnings outlook and views are based on internal and other reliable data, they do not constitute a guarantee of our future earnings. Therefore, sales and profits may differ from the figures outlined in this material.

Apr 8th, 2008

Hisamitsu Pharmaceutical Co., Inc.
(Security code number: 4530)

Consolidated financial statement

Apr 8th, 2008

| <Balance sheet> | 2005.2 | 2006.2 | 2006.5 | 2006.8 | 2006.11 | 2007.2 | 2007.5 | 2007.8 | 2007.11 | 2008.2 | As a % |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|
| (Unit: ¥mn) | Q4 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | of total |
| Current assets | 61,084 | 74,560 | 72,303 | 79,435 | 75,764 | 72,466 | 72,535 | 78,491 | 80,836 | 80,488 | 53.7% |
| Cash & deposits | 31,105 | 36,579 | 26,425 | 28,343 | 22,343 | 29,817 | 26,207 | 27,907 | 28,618 | 36,129 | |
| Notes and accounts receivable | 19,904 | 23,820 | 27,556 | 32,102 | 32,209 | 28,386 | 32,267 | 35,170 | 35,652 | 31,307 | |
| Marketable securities | 1,174 | 849 | 3,921 | 3,147 | 3,978 | 3,111 | 2,710 | 2,516 | 2,017 | 2,332 | |
| Inventory | 5,836 | 8,526 | 8,615 | 8,651 | 8,663 | 8,931 | 8,642 | 8,574 | 8,496 | 8,635 | |
| Deferred tax assets | 783 | 1,415 | 1,435 | 1,422 | 1,444 | 1,251 | 1,229 | 1,244 | 1,237 | 1,345 | |
| Other current assets | 2,387 | 3,496 | 4,498 | 5,942 | 7,316 | 1,123 | 1,654 | 3,268 | 5,010 | 909 | |
| Bad debt provision | -108 | -128 | -148 | -174 | -192 | -156 | -176 | -190 | -195 | -171 | |
| Fixed assets | 49,979 | 62,024 | 60,187 | 62,324 | 63,925 | 68,676 | 67,766 | 69,002 | 70,522 | 69,262 | 46.3% |
| Tangible fixed assets | 35,168 | 36,169 | 36,401 | 36,519 | 38,021 | 38,497 | 38,285 | 38,851 | 40,416 | 40,299 | |
| Buildings and structures | 13,278 | 13,071 | 12,930 | 12,914 | 12,797 | 13,445 | 13,185 | 13,172 | 17,719 | 16,668 | |
| Machinery and transport equipment | 4,913 | 5,266 | 4,986 | 6,055 | 5,786 | 5,786 | 5,424 | 5,180 | 6,303 | 7,023 | |
| Tools, instruments, etc. | 3,815 | 3,157 | 3,064 | 2,697 | 2,713 | 2,486 | 2,453 | 1,851 | 1,891 | 2,052 | |
| Land | 11,309 | 11,346 | 11,350 | 11,312 | 11,315 | 11,354 | 11,356 | 11,364 | 11,362 | 11,374 | |
| Construction in progress | 1,851 | 3,326 | 4,068 | 3,538 | 5,408 | 5,424 | 5,865 | 7,282 | 3,139 | 3,181 | |
| Intangible fixed assets | 317 | 8,759 | 8,204 | 7,682 | 7,092 | 6,403 | 5,870 | 6,527 | 5,999 | 5,464 | |
| Investments, etc. | 14,493 | 17,095 | 15,581 | 18,122 | 18,811 | 23,775 | 23,610 | 23,628 | 24,106 | 23,497 | |
| Investment securities | 9,504 | 13,767 | 12,315 | 15,034 | 15,397 | 17,935 | 18,189 | 17,021 | 16,762 | 14,872 | |
| Long-term loans | 1,414 | 800 | 800 | 675 | 675 | 855 | 500 | 375 | 375 | 312 | |
| Deferred tax assets | 1,803 | 796 | 751 | 404 | 486 | - | - | 989 | 1,319 | 2,154 | |
| Other | 2,088 | 2,079 | 2,062 | 2,320 | 2,564 | 5,148 | 5,083 | 5,404 | 5,815 | 6,316 | |
| Bad debt provision | -318 | -348 | -347 | -312 | -311 | -164 | -162 | -167 | -165 | -159 | |
| Total assets | 111,063 | 136,584 | 132,490 | 141,759 | 139,690 | 141,143 | 140,302 | 147,494 | 151,359 | 149,750 | |
| Current liabilities | 22,286 | 34,177 | 31,351 | 35,506 | 29,757 | 27,919 | 24,825 | 30,515 | 31,128 | 27,606 | 18.4% |
| Notes and accounts payable | 7,554 | 10,129 | 10,736 | 10,865 | 9,147 | 9,004 | 9,943 | 10,627 | 10,957 | 9,933 | |
| Short-term borrowing | 1,629 | 5,822 | 5,947 | 5,996 | 3,448 | 3,467 | 944 | 836 | 854 | 1,038 | |
| Accrued expenses | 6,694 | 8,947 | 8,114 | 8,644 | 6,555 | 9,254 | 6,737 | 8,397 | 7,677 | 7,699 | |
| Unpaid tax, etc. | 4,914 | 6,846 | 2,311 | 5,152 | 3,689 | 4,530 | 3,518 | 5,952 | 5,564 | 6,980 | |
| Reserve for returned goods unsold | 247 | 220 | 197 | 199 | 207 | 167 | 158 | 161 | 161 | 157 | |
| Bonus reserves | 493 | 617 | 187 | 879 | 215 | 688 | 230 | 849 | 238 | 808 | |
| Other current liabilities | 752 | 1,593 | 3,857 | 3,769 | 6,493 | 805 | 3,292 | 3,690 | 5,674 | 988 | |
| Fixed liabilities | 7,209 | 11,142 | 8,705 | 8,901 | 8,887 | 9,257 | 8,534 | 8,111 | 8,244 | 8,215 | 5.5% |
| Long-term borrowing | 1,373 | 3,549 | 1,154 | 1,128 | 1,120 | 1,058 | 1,083 | 1,055 | 1,038 | 842 | |
| Deferred tax liabilities | 1,887 | 1,887 | 1,887 | 2,164 | 2,164 | 2,579 | 2,451 | 2,164 | 2,164 | 2,164 | |
| Pension provisions | 2,799 | 4,537 | 4,487 | 4,415 | 4,392 | 4,384 | 3,733 | 3,809 | 3,931 | 4,071 | |
| Reserve for directors' retirement benefits | 1,021 | 1,078 | 1,093 | 1,117 | 1,142 | 1,166 | 1,203 | 1,027 | 1,064 | 1,102 | |
| Other fixed liabilities | 126 | 89 | 82 | 75 | 69 | 69 | 62 | 53 | 46 | 35 | |
| Total liabilities | 29,496 | 45,320 | 40,057 | 44,408 | 41,742 | 37,176 | 33,360 | 38,626 | 39,373 | 35,819 | 23.9% |
| Owners' Equity | 78,136 | 85,716 | 86,913 | 90,510 | 94,262 | 96,486 | 99,661 | 103,211 | 106,959 | 110,376 | 73.7% |
| Common stock | 8,473 | 8,473 | 8,473 | 8,473 | 8,473 | 8,473 | 8,473 | 8,473 | 8,473 | 8,473 | |
| Capital reserves | - | - | - | - | - | - | - | - | - | - | |
| Capital surplus | 8,241 | 8,289 | 8,289 | 8,289 | 8,289 | 8,376 | 8,376 | 8,376 | 8,376 | 8,396 | |
| Retained earnings | 68,704 | 81,460 | 82,658 | 86,259 | 90,024 | 92,137 | 95,314 | 98,868 | 102,618 | 106,010 | |
| Treasury stock | -7,282 | -12,506 | -12,507 | -12,512 | -12,524 | -12,501 | -12,503 | -12,507 | -12,509 | -12,504 | |
| Net unrealized gain and translation adjustment | 2,731 | 4,802 | 4,795 | 6,138 | 5,610 | 6,744 | 6,544 | 4,884 | 4,252 | 2,803 | 1.9% |
| Other marketable securities revaluation account | 1,066 | 2,858 | 2,777 | 3,750 | 3,599 | 4,248 | 4,056 | 2,220 | 1,751 | 326 | |
| Land revaluation account | 2,780 | 2,780 | 2,780 | 3,188 | 3,188 | 3,188 | 3,188 | 3,188 | 3,188 | 3,188 | |
| Forex adjustment account | -1,115 | -836 | -762 | -801 | -1,177 | -692 | -700 | -523 | -687 | -712 | |
| Revaluation account | - | - | - | - | - | - | - | - | - | - | |
| Consolidated surplus | - | - | - | - | - | - | - | - | - | - | |
| Minority interest | 698 | 744 | 724 | 703 | 1,171 | 735 | 736 | 771 | 774 | 750 | 0.5% |
| Total Net assets | 81,565 | 91,262 | 92,432 | 97,351 | 101,045 | 103,966 | 106,942 | 108,868 | 111,986 | 113,929 | 76.1% |
| Liabilities and Net assets | 111,063 | 136,584 | 132,490 | 141,759 | 139,690 | 141,143 | 140,302 | 147,494 | 151,359 | 149,750 | |

Consolidated financial statement

Apr 8th, 2008

| <Income statement> | 2005.2 | 2006.2 | 2006.5 | 2006.8 | 2006.11 | 2007.2 | 2007.5 | 2007.8 | 2007.11 | 2008.2 | YoY |
|--|---------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|
| (Unit: ¥mn) | Q4 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | |
| Sales | 83,545 | 102,665 | 27,385 | 56,775 | 84,427 | 109,791 | 29,373 | 60,383 | 91,336 | 119,061 | +8.4% |
| CoGS | 24,724 | 29,840 | 7,950 | 16,700 | 24,980 | 32,903 | 8,605 | 17,890 | 27,119 | 36,101 | +9.7% |
| (as a % of sales) | 29.6% | 29.1% | 29.0% | 29.4% | 29.6% | 30.0% | 29.3% | 29.6% | 29.7% | 30.3% | |
| Gross profits | 58,820 | 72,824 | 19,434 | 40,075 | 59,446 | 76,888 | 20,768 | 42,492 | 64,217 | 82,960 | +7.9% |
| (as a % of sales) | 70.4% | 70.9% | 71.0% | 70.6% | 70.4% | 70.0% | 70.7% | 70.4% | 70.3% | 69.7% | |
| SG&A expenses | 37,324 | 50,054 | 13,053 | 26,862 | 36,834 | 50,754 | 12,274 | 28,365 | 39,776 | 53,888 | +6.2% |
| (as a % of sales) | 44.7% | 48.7% | 47.7% | 47.3% | 43.6% | 46.2% | 41.8% | 47.0% | 43.5% | 45.3% | |
| Advertising costs | 7,463 | 8,492 | 3,517 | 5,692 | 7,436 | 10,347 | 2,838 | 5,572 | 7,562 | 9,595 | 7.3% |
| Sales promotion costs | 8,674 | 10,524 | 2,487 | 5,611 | 7,069 | 10,466 | 2,506 | 5,445 | 7,957 | 11,838 | +13.1% |
| R&D spending | 7,223 | 11,267 | 2,247 | 5,278 | 7,091 | 9,295 | 1,866 | 6,543 | 8,442 | 11,234 | +20.9% |
| Other SG&A expenses | 13,964 | 19,771 | 4,802 | 10,281 | 15,238 | 20,646 | 5,064 | 10,805 | 15,815 | 21,221 | +2.8% |
| Operating profits | 21,495 | 22,770 | 6,381 | 13,212 | 22,612 | 26,134 | 8,494 | 14,127 | 24,440 | 29,071 | +11.2% |
| (as a % of sales) | 25.7% | 22.2% | 23.3% | 23.3% | 26.8% | 23.8% | 28.9% | 23.4% | 26.8% | 24.4% | +2.5% |
| Nonoperating income | 561 | 1,568 | 351 | 582 | 684 | 1,034 | 367 | 571 | 846 | 1,422 | |
| Interest received | 47 | 50 | 7 | 24 | 45 | 74 | 27 | 78 | 107 | 152 | |
| Dividends received | 71 | 83 | 15 | 71 | 74 | 118 | 14 | 87 | 122 | 170 | |
| Equity-method investment profits | 98 | 112 | 26 | 16 | 23 | 0 | 22 | 53 | 82 | 264 | |
| Amortisation of consolidated adjustment acco | 23 | 24 | 5 | 11 | 17 | 23 | 5 | 11 | 17 | 24 | |
| Other | 320 | 1,296 | 295 | 457 | 521 | 817 | 296 | 340 | 516 | 809 | |
| Nonoperating expenses | 186 | 178 | 33 | 89 | 154 | 167 | 31 | 78 | 177 | 288 | |
| Interest paid | 34 | 41 | 14 | 21 | 34 | 41 | 9 | 17 | 17 | 21 | |
| Other | 151 | 137 | 19 | 67 | 120 | 125 | 21 | 60 | 160 | 266 | |
| Recurring profits | 21,871 | 24,159 | 6,700 | 13,704 | 23,142 | 27,001 | 8,830 | 14,620 | 25,109 | 30,204 | +11.9% |
| (as a % of sales) | 26.2% | 23.5% | 24.5% | 24.1% | 27.4% | 24.6% | 30.1% | 24.2% | 27.5% | 25.4% | |
| Extraordinary profits | 158 | 1,510 | 1 | 0 | 0 | 42 | 177 | 351 | 527 | 707 | |
| Profit on sale of fixed assets | 1 | 0 | - | - | - | 0 | - | - | - | - | |
| Public subsidies | 56 | 1 | - | - | - | - | - | - | - | - | |
| Reversal of allowance for doubtful receivables | 99 | 25 | 1 | 0 | - | 41 | 1 | 1 | 1 | 5 | |
| Other | - | 1,483 | - | - | - | - | 175 | 350 | 526 | 701 | |
| Extraordinary losses | 131 | 1,163 | 428 | 638 | 722 | 1,125 | 153 | 193 | 212 | 705 | |
| Losses on fixed asset disposal | 70 | 380 | 143 | 181 | 216 | 346 | 19 | 31 | 50 | 121 | |
| Losses on fixed asset reduction | - | - | - | 92 | 92 | 154 | - | - | - | - | |
| Valuation losses on investment securities | 60 | - | 84 | 83 | 83 | - | - | 22 | 22 | 22 | |
| Transfer to bad debt provisions | - | - | - | - | - | - | - | - | - | - | |
| Valuation losses on memberships | - | 1 | - | - | - | - | - | 5 | 5 | 5 | |
| Other | - | 781 | 200 | 280 | 414 | 623 | 133 | 133 | 133 | 556 | |
| Net profit before tax, etc. | 21,898 | 24,507 | 6,272 | 13,066 | 22,420 | 25,917 | 8,854 | 14,778 | 25,425 | 30,206 | +16.5% |
| Taxes | 8,816 | 10,831 | 2,105 | 4,907 | 8,599 | 9,365 | 3,490 | 5,892 | 10,123 | 11,521 | |
| Tax adjustment | 39 | -828 | 97 | 68 | 69 | 693 | 17 | -41 | -51 | -44 | |
| Minority interest (subtracted) | 169 | 55 | 27 | 15 | 16 | 11 | 39 | 67 | 81 | 66 | |
| Net profits | 12,873 | 14,448 | 4,097 | 8,106 | 13,734 | 15,847 | 5,306 | 8,860 | 15,271 | 18,663 | +17.8% |
| (as a % of sales) | 15.4% | 14.1% | 15.0% | 14.3% | 16.3% | 14.4% | 18.1% | 14.7% | 16.7% | 15.7% | |
| Capex | 2,256 | 15,974 | | 2,490 | | 7,211 | | 3,603 | | 7,545 | |
| (as a % of sales) | 2.7% | 15.6% | | 4.4% | | 6.6% | | 6.0% | | 6.3% | |
| Depreciation | 3,338 | 3,114 | | 1,550 | | 3,118 | | 1,495 | | 3,434 | |
| (as a % of sales) | 4.0% | 3.0% | | 2.7% | | 2.8% | | 2.5% | | 2.9% | |
| Goodwill amortization | | 2,222 | | 1,067 | | 2,117 | | 1,012 | | 2,057 | |
| (as a % of sales) | | 2.2% | | 1.9% | | 1.9% | | 1.7% | | 1.7% | |
| Number of employees | 1,541 | 1,671 | | 1,691 | | 1,628 | | 1,722 | | 1,752 | |

Non-consolidated financial statement

Apr 8th, 2008

| <Balance sheet> | 2005.2 | 2006.2 | 2006.5 | 2006.8 | 2006.11 | 2007.2 | 2007.5 | 2007.8 | 2007.11 | 2008.2 | As a % |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|
| (Unit: ¥mn) | Q4 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | of total |
| Current assets | 57,816 | 70,690 | 67,850 | 75,537 | 72,480 | 69,142 | 68,968 | 74,387 | 76,520 | 76,527 | 54.2% |
| Cash & deposits | 29,327 | 33,866 | 23,144 | 25,380 | 20,309 | 27,801 | 23,910 | 25,361 | 25,845 | 33,842 | |
| Notes receivable | 2,561 | 1,559 | 1,444 | 2,570 | 2,657 | 2,560 | 107 | 166 | 125 | 152 | |
| Accounts receivable | 17,023 | 21,942 | 25,852 | 29,490 | 29,467 | 25,605 | 31,969 | 34,736 | 35,269 | 30,561 | |
| Marketable securities | 799 | 799 | 3,871 | 3,097 | 3,927 | 2,997 | 2,597 | 2,397 | 1,896 | 2,280 | |
| Inventory | 5,014 | 7,671 | 7,786 | 7,783 | 7,769 | 8,062 | 7,818 | 7,625 | 7,621 | 7,762 | |
| Deferred tax assets | 839 | 1,392 | 1,392 | 1,392 | 1,392 | 1,155 | 1,155 | 1,155 | 1,155 | 1,319 | |
| Other current assets | 2,350 | 3,581 | 4,503 | 5,991 | 7,140 | 1,106 | 1,578 | 3,127 | 4,794 | 772 | |
| Bad debt provision | -103 | -123 | -143 | -169 | -186 | -148 | -168 | -183 | -188 | -163 | |
| Fixed assets | 46,543 | 57,491 | 55,053 | 57,140 | 58,610 | 63,324 | 63,344 | 65,000 | 66,555 | 64,781 | 45.8% |
| Tangible fixed assets | 29,660 | 30,618 | 30,850 | 31,052 | 32,626 | 33,167 | 32,857 | 33,376 | 35,020 | 34,939 | |
| Buildings | 9,716 | 9,070 | 8,887 | 8,883 | 8,794 | 9,471 | 9,263 | 9,098 | 13,684 | 12,620 | |
| Machinery and equipment | 7,470 | 7,327 | 7,019 | 7,770 | 7,581 | 7,374 | 7,025 | 6,100 | 7,333 | 8,278 | |
| Land | 10,890 | 10,890 | 10,890 | 10,854 | 10,854 | 10,891 | 10,891 | 10,891 | 10,891 | 10,902 | |
| Construction in progress | 1,582 | 3,330 | 4,052 | 3,543 | 5,395 | 5,429 | 5,676 | 7,285 | 3,110 | 3,137 | |
| Intangible fixed assets | 257 | 6,531 | 6,118 | 5,736 | 5,285 | 4,755 | 5,839 | 6,499 | 5,974 | 5,439 | |
| Investments, etc. | 16,625 | 20,341 | 18,084 | 20,351 | 20,698 | 25,401 | 24,647 | 25,119 | 25,560 | 24,402 | |
| Investment securities | 8,781 | 12,986 | 11,487 | 14,243 | 14,091 | 16,585 | 16,843 | 15,676 | 15,404 | 13,326 | |
| Advances to and shares in related companies | 3,678 | 4,377 | 4,039 | 4,039 | 4,559 | 3,729 | 3,017 | 3,011 | 2,994 | 2,995 | |
| Long-term loans | 1,710 | 1,618 | 1,612 | 1,449 | 1,445 | 1,311 | 1,172 | 1,124 | 1,065 | 995 | |
| Deferred tax assets | 2,317 | 1,902 | 1,622 | 1,266 | 1,374 | 272 | 395 | 1,630 | 1,943 | 2,451 | |
| Other investments, etc. | 1,770 | 1,812 | 1,847 | 1,819 | 1,766 | 4,572 | 4,275 | 4,631 | 5,063 | 5,563 | |
| Provision for losses on investments | -1,069 | -1,167 | -1,337 | -1,401 | -1,473 | -235 | -235 | -169 | -169 | -183 | |
| Bad debt provision | -565 | -1,188 | -1,187 | -1,065 | -1,064 | -835 | -823 | -783 | -740 | -745 | |
| Total assets | 104,359 | 128,181 | 122,904 | 132,678 | 131,090 | 132,466 | 132,312 | 139,382 | 143,075 | 141,308 | |
| Current liabilities | 18,668 | 31,627 | 28,136 | 32,442 | 27,310 | 25,335 | 21,713 | 27,257 | 27,686 | 24,445 | 17.3% |
| Notes payable and Accounts payable | 5,719 | 8,330 | 8,359 | 8,628 | 7,671 | 6,901 | 7,566 | 7,883 | 8,444 | 7,895 | |
| Long-term debt due within 1 yr | - | 5,000 | 5,000 | 5,000 | 2,500 | 2,500 | - | - | - | - | |
| Accrued and unpaid expenses | 6,959 | 9,688 | 9,956 | 9,312 | 8,456 | 10,239 | 8,550 | 9,163 | 8,486 | 8,013 | |
| Unpaid tax, etc. | 4,749 | 6,697 | 2,236 | 5,027 | 3,665 | 4,433 | 3,474 | 5,828 | 5,436 | 6,831 | |
| Bonus reserves | 472 | 594 | 166 | 851 | 188 | 663 | 206 | 817 | 209 | 783 | |
| Reserve for returned goods unsold | 247 | 220 | 197 | 199 | 207 | 167 | 158 | 161 | 161 | 157 | |
| Provision for losses on debt guarantees | 259 | 159 | 159 | 159 | 159 | 136 | 136 | 190 | 190 | 196 | |
| Other current liabilities | 258 | 936 | 2,061 | 3,262 | 4,460 | 292 | 1,620 | 3,211 | 4,758 | 567 | |
| Fixed liabilities | 5,604 | 8,352 | 5,872 | 6,179 | 6,229 | 6,271 | 6,952 | 6,851 | 7,010 | 7,176 | 5.1% |
| Long-term borrowing | - | 2,500 | - | - | - | - | - | - | - | - | |
| Provision for pension and remuneration obligation | 3,703 | 3,951 | 3,972 | 4,001 | 4,049 | 4,091 | 4,773 | 4,671 | 4,831 | 4,995 | |
| Deferred tax liabilities related to revaluation | 1,887 | 1,887 | 1,887 | 2,164 | 2,164 | 2,164 | 2,164 | 2,164 | 2,164 | 2,164 | |
| Other fixed liabilities | 13 | 13 | 13 | 13 | 15 | 15 | 15 | 15 | 15 | 17 | |
| Total liabilities | 24,273 | 39,979 | 34,009 | 38,622 | 33,539 | 31,607 | 28,666 | 34,108 | 34,697 | 31,622 | 22.4% |
| Owners' Equity | 76,308 | 82,700 | 83,493 | 87,265 | 90,915 | 93,526 | 96,494 | 99,939 | 103,506 | 106,214 | 75.2% |
| Common stock | 8,473 | 8,473 | 8,473 | 8,473 | 8,473 | 8,473 | 8,473 | 8,473 | 8,473 | 8,473 | |
| Capital surplus | 8,241 | 8,241 | 8,241 | 8,241 | 8,241 | 8,241 | 8,241 | 8,241 | 8,241 | 8,241 | |
| Capital reserves | 2,118 | 2,118 | 2,118 | 2,118 | 2,118 | 2,118 | 2,118 | 2,118 | 2,118 | 2,118 | |
| Other capital surplus | 6,123 | 6,123 | 6,123 | 6,123 | 6,123 | 6,123 | 6,123 | 6,123 | 6,123 | 6,123 | |
| Retained earnings | 66,291 | 78,448 | 79,242 | 83,018 | 86,668 | 89,282 | 92,253 | 95,701 | 99,270 | 101,979 | |
| Voluntary reserve | 52,570 | 62,000 | 72,000 | 72,000 | 72,000 | 72,000 | 82,000 | 82,000 | 82,000 | 82,000 | |
| Unappropriated profit for the year | 13,721 | 16,448 | 7,242 | 11,018 | 14,668 | 17,282 | 10,253 | 13,701 | 17,270 | 19,979 | |
| (net profit) | 12,255 | 13,850 | 3,692 | 7,875 | 13,389 | 16,003 | 5,099 | 8,547 | 14,777 | 17,487 | |
| Treasury stock | -6,697 | -12,462 | -12,463 | -12,467 | -12,469 | -12,472 | -12,474 | -12,477 | -12,479 | -12,480 | |
| Net unrealized gain and translation adjustments | 3,775 | 5,499 | 5,398 | 6,788 | 6,635 | 7,333 | 7,151 | 5,323 | 4,871 | 3,472 | 2.5% |
| Marketable securities revaluation account | 995 | 2,719 | 2,618 | 3,600 | 3,447 | 4,144 | 3,962 | 2,145 | 1,683 | 283 | |
| Revaluation account | 2,780 | 2,780 | 2,780 | 3,188 | 3,188 | 3,188 | 3,188 | 3,188 | 3,188 | 3,188 | |
| Total Net assets | 80,086 | 88,202 | 88,891 | 94,056 | 97,550 | 100,859 | 103,646 | 105,273 | 108,378 | 109,686 | 77.6% |
| Liabilities and Net assets | 104,359 | 128,181 | 122,904 | 132,678 | 131,090 | 132,446 | 132,312 | 139,382 | 143,075 | 141,308 | |

Non-consolidated financial statement

Apr 8th, 2008

| <Income statement> | 2005.2 | 2006.2 | 2006.5 | 2006.8 | 2006.11 | 2007.2 | 2007.5 | 2007.8 | 2007.11 | 2008.2 | YoY |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|
| (Unit: ¥mn) | Q4 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | |
| Sales | 78,444 | 97,169 | 25,855 | 53,981 | 80,247 | 104,037 | 27,785 | 57,366 | 86,752 | 112,635 | +8.3% |
| Prescription drugs | 58,165 | 74,932 | 19,068 | 40,183 | 60,685 | 79,169 | 21,060 | 43,626 | 67,155 | 87,417 | +10.4% |
| OTC products | 18,171 | 19,432 | 5,829 | 12,012 | 17,096 | 21,631 | 5,917 | 12,096 | 17,207 | 21,946 | +1.5% |
| International business | 2,107 | 2,804 | 956 | 1,786 | 2,465 | 3,236 | 808 | 1,643 | 2,389 | 3,270 | +1.1% |
| CoGS | 22,039 | 26,911 | 7,183 | 15,322 | 23,005 | 30,075 | 7,860 | 16,426 | 24,985 | 33,128 | +10.2% |
| (as a % of sales) | 28.1% | 27.7% | 27.8% | 28.4% | 28.7% | 28.9% | 28.3% | 28.6% | 28.8% | 29.4% | 1.7% |
| Gross profits | 56,406 | 70,258 | 18,671 | 38,659 | 57,241 | 73,961 | 19,925 | 40,940 | 61,767 | 79,507 | +7.5% |
| (as a % of sales) | 71.9% | 72.3% | 72.2% | 71.6% | 71.3% | 71.1% | 71.7% | 71.4% | 71.2% | 70.6% | |
| SG&A expenses | 35,906 | 47,392 | 12,467 | 25,640 | 34,902 | 48,047 | 11,678 | 27,262 | 37,981 | 51,240 | +6.6% |
| (as a % of sales) | 45.8% | 48.8% | 48.2% | 47.5% | 43.5% | 46.2% | 42.0% | 47.5% | 43.8% | 45.5% | |
| Sales costs | 17,429 | 20,826 | 6,552 | 12,389 | 16,151 | 22,736 | 5,892 | 12,133 | 17,241 | 23,425 | +3.0% |
| Advertising costs | 7,450 | 8,099 | 3,448 | 5,555 | 7,235 | 9,913 | 2,756 | 5,426 | 7,339 | 9,131 | 7.9% |
| (as a % of sales) | 9.5% | 8.3% | 13.3% | 10.3% | 9.0% | 9.5% | 9.9% | 9.5% | 8.5% | 8.1% | |
| R&D spending | 7,237 | 11,334 | 2,270 | 5,370 | 7,151 | 9,416 | 1,866 | 6,452 | 8,437 | 11,253 | +19.5% |
| (as a % of sales) | 9.2% | 11.7% | 8.8% | 9.9% | 8.9% | 9.1% | 6.7% | 11.2% | 9.7% | 10.0% | |
| Administration costs | 11,240 | 15,232 | 3,645 | 7,881 | 11,600 | 15,895 | 3,920 | 8,677 | 12,303 | 16,562 | +4.2% |
| Operating profits | 20,500 | 22,865 | 6,203 | 13,019 | 22,339 | 25,914 | 8,246 | 13,677 | 23,786 | 28,265 | +9.1% |
| (as a % of sales) | 26.1% | 23.5% | 24.0% | 24.1% | 27.8% | 24.9% | 29.7% | 23.8% | 27.4% | 25.1% | |
| Nonoperating balance | 317 | 578 | 212 | 459 | 464 | 891 | 266 | 324 | 420 | 644 | |
| Nonoperating income | 521 | 1,373 | 248 | 492 | 544 | 967 | 280 | 452 | 669 | 942 | |
| Nonoperating expenses | 204 | 795 | 35 | 33 | 80 | 75 | 13 | 127 | 249 | 298 | |
| Recurring profits | 20,816 | 23,444 | 6,416 | 13,478 | 22,804 | 26,805 | 8,513 | 14,001 | 24,206 | 28,909 | +7.8% |
| (as a % of sales) | 26.5% | 24.1% | 24.8% | 25.0% | 28.4% | 25.8% | 30.6% | 24.4% | 27.9% | 25.7% | |
| Extraordinary balance | -157 | -381 | -371 | -550 | -706 | -484 | -11 | 226 | 421 | 87 | |
| Extraordinary profits | 103 | 1,600 | 7 | 92 | 93 | 751 | 187 | 471 | 688 | 852 | |
| Extraordinary losses | 260 | 1,981 | 378 | 642 | 799 | 1,236 | 199 | 248 | 266 | 765 | |
| Pretax profits | 20,659 | 23,062 | 6,045 | 12,928 | 22,097 | 26,321 | 8,502 | 14,225 | 24,628 | 28,997 | +10.2% |
| Tax, etc. | 8,469 | 10,520 | 2,353 | 5,085 | 8,746 | 9,142 | 3,402 | 5,677 | 9,850 | 11,231 | |
| Tax adjustment | -65 | -1,307 | - | -33 | -37 | 1,176 | - | - | - | 278 | |
| Effective tax rate | 40.7% | 39.9% | 38.9% | 39.1% | 39.4% | 39.2% | 40.0% | 39.9% | 40.0% | 38.7% | |
| Net profits | 12,255 | 13,850 | 3,692 | 7,875 | 13,389 | 16,003 | 5,099 | 8,547 | 14,777 | 17,487 | +9.3% |
| (as a % of sales) | 15.6% | 14.3% | 14.3% | 14.6% | 16.7% | 15.4% | 18.4% | 14.9% | 17.0% | 15.5% | |
| Capex | 1,342 | 12,704 | | 2,240 | | 6,866 | | 3,355 | | 7,117 | |
| (as a % of sales) | 1.7% | 13.1% | | 4.1% | | 6.6% | | 5.8% | | 6.3% | |
| Depreciation | 2,910 | 2,510 | | 1,244 | | 2,889 | | 1,288 | | 2,999 | |
| (as a % of sales) | 3.7% | 2.6% | | 2.2% | | 2.6% | | 2.2% | | 2.7% | |
| Goodwill amortization | | 1,664 | | 788 | | 1,572 | | 1,006 | | 2,057 | |
| (as a % of sales) | | 1.7% | | 1.5% | | 1.5% | | 1.8% | | 1.8% | |
| Number of employees | 1,063 | 1,180 | | 1,190 | | 1,137 | | 1,190 | | 1,216 | |
| Major products | | | | | | | | | | | |
| Mohrus tape | 41,534 | 50,968 | 13,448 | 27,946 | 42,603 | 56,189 | 15,408 | 31,993 | 49,572 | 65,280 | +16.2% |
| (of which, regular) | 32,984 | 37,137 | 9,370 | 19,213 | 28,780 | 37,609 | 9,862 | 20,095 | 30,677 | 40,045 | +6.5% |
| (of which, Mohrus Tape L) | 8,549 | 13,830 | 4,078 | 8,732 | 13,822 | 18,580 | 5,546 | 11,898 | 18,895 | 25,234 | +35.8% |
| Mohrus | 13,979 | 14,064 | 3,383 | 7,098 | 10,592 | 13,490 | 3,234 | 6,750 | 10,256 | 12,976 | △3.2% |
| Estrana | 388 | 388 | 108 | 213 | 336 | 471 | 96 | 224 | 368 | 496 | +9.5% |
| Naboal | - | 1,375 | 377 | 1,022 | 1,524 | 2,026 | 544 | 1,098 | 1,624 | 2,073 | +6.6% |
| Inside Pap | - | 1,510 | 360 | 723 | 1,055 | 1,324 | 301 | 607 | 900 | 1,157 | △14.7% |
| Salonpas | 6,181 | 6,277 | 1,567 | 3,582 | 5,282 | 6,800 | 1,581 | 3,657 | 5,401 | 6,901 | +2.3% |
| Salonsip | 3,777 | 3,887 | 1,008 | 2,305 | 3,315 | 4,115 | 1,122 | 2,366 | 3,452 | 4,188 | +4.1% |
| Air-Salonpas | 1,622 | 1,637 | 498 | 1,108 | 1,465 | 1,659 | 494 | 1,158 | 1,570 | 1,762 | +7.2% |
| Lifecella | 1,289 | 1,268 | 356 | 631 | 868 | 1,133 | 299 | 497 | 684 | 886 | △21.2% |
| Butenalock | 1,678 | 2,187 | 1,191 | 1,792 | 1,864 | 2,636 | 1,021 | 1,452 | 1,571 | 2,557 | △15.7% |
| Feitas | 1,508 | 2,094 | 915 | 1,839 | 3,018 | 3,712 | 1,097 | 2,174 | 3,238 | 4,042 | +7.3% |

| (¥mn) | Feb 2008A | Feb 2009E | YoY | Cons- parent ratio |
|-----------------------------|----------------|----------------|--------------|-----------------------|
| <Consolidated> | full year | full year | | |
| Sales | 119,061 | 127,000 | +6.7% | 1.06 |
| CoGS | 36,101 | 40,200 | | |
| (CoGS ratio %) | 30.3% | 31.7% | | |
| Gross profits | 82,960 | 86,800 | +4.6% | |
| (as a % of sales) | 69.7% | 68.3% | | |
| SG&A costs | 53,888 | 56,800 | +5.4% | |
| of which, advertising costs | 9,595 | 9,500 | 1.0% | |
| of which, R&D spending | 11,234 | 11,200 | .3% | |
| Operating profits | 29,071 | 30,000 | +3.2% | 1.03 |
| (as a % of sales) | 24.4% | 23.6% | | |
| Nonoperating balance | 1,134 | 700 | | |
| Recurring profits | 30,204 | 30,700 | +1.6% | 1.04 |
| (as a % of sales) | 25.4% | 24.2% | | |
| Extraordinary balance | 2 | 800 | | |
| Pretax profits | 30,206 | 31,500 | +4.3% | |
| Provision for tax | 11,543 | 12,100 | | |
| (effective tax rate) | 38.2% | 38.4% | | |
| Net profits | 18,663 | 19,400 | +3.9% | 1.05 |
| (as a % of sales) | 15.7% | 15.3% | | |
| Capex | 7,545 | 7,300 | | |
| Depreciation | 3,434 | 3,900 | | |
| goodwill amortization | 2,057 | 2,115 | | |

By product

<Rx. Products>

| | | | |
|---------------------------|--------|--------|--------|
| Mohrus tape | 65,280 | 71,500 | +9.5% |
| (of which, regular) | 40,045 | 41,000 | +2.4% |
| (of which, Mohrus Tape L) | 25,234 | 30,500 | +20.9% |
| Mohrus | 12,976 | 12,500 | 3.7% |
| Estrana | 496 | 600 | +21.0% |
| Nabosal tape/gel/Pap/Cap | 2,073 | 2,000 | 3.5% |
| Inside Pap | 1,157 | 850 | 26.5% |

<OTC products>

| | | | |
|--------------|-------|-------|--------|
| Salonpas | 6,901 | 7,200 | +4.3% |
| Salonsip | 4,188 | 4,200 | +.3% |
| Air-Salonpas | 1,762 | 1,800 | +2.2% |
| Lifecella | 886 | 910 | +2.7% |
| Butenolock | 2,557 | 2,600 | +1.7% |
| Feitas | 4,042 | 4,500 | +11.3% |

| | Feb 2008A | Feb 2009E | YoY |
|---------------------------------|----------------|----------------|--------------|
| <Non-Consolidated> | full year | full year | |
| Sales | 112,635 | 120,000 | +6.5% |
| Prescription drugs | 87,417 | 93,000 | +6.4% |
| OTC products | 21,946 | 22,500 | +2.5% |
| International business | 3,270 | 4,500 | +37.6% |
| CoGS | 33,128 | 36,800 | |
| (CoGS ratio %) | 29.4% | 30.7% | |
| Gross profits | 79,507 | 83,200 | |
| (as a % of sales) | 70.6% | 69.3% | |
| SG&A costs | 51,240 | 54,200 | |
| Sales costs | 23,425 | 25,500 | |
| (advertising costs) | 9,131 | 9,000 | |
| R&D spending | 11,253 | 11,300 | |
| Other | 16,562 | 17,400 | |
| Operating profits | 28,265 | 29,000 | +2.6% |
| (as a % of sales) | 25.1% | 24.2% | |
| Nonoperating balance | 644 | 500 | |
| Recurring profits | 28,909 | 29,500 | +2.0% |
| (as a % of sales) | 25.7% | 24.6% | |
| Extraordinary balance | 87 | 700 | |
| Pretax profits | 28,997 | 30,200 | |
| Provision for tax | 11,510 | 11,700 | +1.7% |
| (effective tax rate) | 38.7% | 38.7% | |
| Net profits | 17,487 | 18,500 | +5.8% |
| (as a % of sales) | 15.5% | 15.4% | |
| Capex | 7,117 | 7,000 | |
| Depreciation | 2,999 | 3,400 | |
| goodwill amortization | 2,057 | 2,102 | |