

P&L summary

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(Units: ¥ millions)

	3 / 0 1		3 / 0 2			
	Par	% sales	Par	% sales	Yr chg	Amt chg
Sales	54,671	100.0%	61,131	100.0%	11.8%	6,460
COGS	17,102	31.3%	18,376	30.1%	7.5%	1,274
Gross profit	37,569	68.7%	42,755	69.9%	13.8%	5,185
SG&A (of which R&D)	28,589 (6,191)	52.3% (11.3%)	30,889 (6,031)	50.5% (9.9%)	8.0% (2.6%)	2,300 (159)
Operating profit	8,980	16.4%	11,865	19.4%	32.1%	2,885
Non-op income	744	1.4%	572	0.9%	23.2%	172
Non-op expense	200	0.4%	621	1.0%	209.7%	420
Recurring profit	9,524	17.4%	11,816	19.3%	24.1%	2,292
Extraordinary profits	29	0.1%	29	0.0%	1.4%	0
Extraordinary losses	3,435	6.3%	3,775	6.1%	9.9%	339
Pretax profit	6,118	11.2%	8,071	13.2%	31.9%	1,952
Corporate, inhabitants and enterprise taxes	5,125	9.4%	6,318	10.3%	23.3%	1,193
Tax adjustments	1,807	3.3%	2,033	3.3%	12.5%	225
Net profit	2,800	5.1%	3,785	6.2%	35.2%	984

< Points >

Sales	0 1 / 3	0 2 / 3	(billions)
Pharmaceuticals	5 1 5	5 7 7	(+ 6 . 3)
o/w Japan	4 2 8	4 5 6	(+ 2 . 8)
Exports	8 6	1 2 1	(+ 3 . 5)
By product	0 1 / 3	0 2 / 3	(billions)
Mucodyne	1 6 . 1	1 7 . 5	
Baccidal	4 . 5	3 . 6	
Ketas	7 . 5	7 . 5	
Aplace	4 . 5	4 . 3	
Rocaltrol	3 . 8	3 . 8	
Pentasa	4 . 0	4 . 5	
Kipres	0	3 . 1	
Gatifloxacin	5 . 5	9 . 8	
Other products	3 . 1	3 . 3	(+ 0 . 2)
o/w Milton	2 . 9	2 . 9	
Other business	1 . 3	1 . 2	(- 0 . 1)
COGS ratio (vs sales)	3 1 . 3 %	3 0 . 1 %	
SGA ratio (vs sales)	5 2 . 3 %	5 0 . 5 %	
* sales growth of	1 1 . 8 %	VS SGA grew by	8 . 0 %
Cause for rise: :			
• Marketing cost up			
• Personnel expense (increase 60 million yoy)			
• pension retirement benefits (increase 30 million yoy)			
Non-operating income (down 172 million yoy)			
Cause for decrease: Fall in net financial income			
Non-op expense (increase 420 million yoy)			
Cause for rise:			
Decline in finished goods write-off (increase about 300 million yoy)			
Extraordinary losses (increase 339 million yoy)			
Cause for increase:			
change in retirement accounting standards last year	3,181		million
Valuation losses on securities of	458		million

BS summary

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(Units: ¥ millions)

	3 / 0 1		3 / 0 2		
	Par.	% total	Par	% total	Amt chg
Current assets	9 1 , 7 3 1	73.5%	9 2 , 6 1 7	69.4%	8 8 5
Cash, deposits	5 7 , 3 3 2		5 1 , 6 8 1		5 , 6 5 0
A/R, notes receivable	4 1 2		6 0 4		1 9 2
Mk securities	2 0 , 4 2 7		2 1 , 4 8 0		1 , 0 5 2
Inventory	4 , 0 1 1		3 , 7 5 9		2 5 1
Other	6 , 9 1 9		1 0 , 4 9 7		3 , 5 7 7
	2 , 6 2 8		4 , 5 9 3		1 , 9 6 4
Non-current assets	3 3 , 0 6 6	26.5%	4 0 , 8 0 9	30.6%	7 , 7 4 2
Tangible assets	1 3 , 8 0 2		1 3 , 8 5 8		5 6
Intangible assets	7 , 3 5 5		6 , 5 9 6		7 5 9
Investments	1 1 , 9 0 8		2 0 , 3 5 4		8 , 4 4 5
Current liabilities	1 5 , 2 1 1	12.2%	1 7 , 2 2 3	12.9%	2 , 0 1 1
A/P, notes payable	9 0 3		1 , 1 5 6		2 5 2
Other	4 , 1 3 8		5 , 5 3 3		1 , 3 9 4
	1 0 , 1 6 8		1 0 , 5 3 3		3 6 4
Non-current liab.	1 0 , 1 0 4	8.1%	1 4 , 4 9 9	10.9%	4 , 3 9 4
Total liabilities	2 5 , 3 1 6	20.3%	3 1 , 7 2 3	23.8%	6 , 4 0 6
Capital	3 , 6 2 3	2.9%	4 , 3 1 7	3.2%	6 9 3
Legal reserve	2 , 5 4 8	2.0%	1 , 8 5 5	1.4%	6 9 3
Retained earnings	9 3 , 3 0 9	74.8%	9 5 , 5 3 0	71.6%	2 , 2 2 1
Shareholders' eq.	9 9 , 4 8 2	79.7%	1 0 1 , 7 0 3	76.2%	2 , 2 2 1
Liabilities & sh/s eq.	1 2 4 , 7 9 8	100.0%	1 3 3 , 4 2 7	100.0%	8 , 6 2 8

< POINTS >

Cash & deposits (down ¥5,650 million yoy)
 A/R, notes receivable (up ¥1,244 million yoy)
 Inventory (¥3,577 million yoy)
 Investments (up ¥8,445 million yoy)
 trust (up ¥4,764 million yoy)
 Deferred tax assets (up ¥967million yoy)
 Marketable securities (up ¥2,211 million yoy)
 Current liabilities (up ¥1,987 million yoy)
 A/P payable (up ¥1,631 million yoy)
 Non-current liabilities (up ¥4,403 million yoy)
 Increase in allowance for pension retirement benefits (up ¥4,366 million yoy)

Sales update

(Units: ¥ 0 0 millions)

		3 / 98	3 / 99	3 / 00	3 / 01	3 / 02		3 / 03 (Forecast)
						Sales	% chg	
D O M E S T I C S A L E S	Kipres (LT receptor antagonist)					31		75
	Gatiflo (Kyorin) (Antibacterial agent)							100
	Mucodyne (Mucuregulant)	134	143	155	161	175	8.3%	177
	Baccidal (Antibacterial agent)	36	28	26	21	17	17.8%	9
	Ketas (For bronchial asthma and cerebrovascular disorders)	70	65	71	75	75	0.6%	100
	Aplace (Anti-ulcer agent)	52	44	48	45	43	5.7%	30
	Rocaltrol (Osteoporosis remedy)	31	33	38	38	38	2.5%	27
	Pentasa (Ulcerative colitis and Crohn's disease treatment)	18	26	33	40	45	13.0%	50
	Milton (Effervescent disinfectant)		16	30	29	29	0.9%	30
F O R E I G N S A L E S	Exports	50	48	69	86	121	40.3%	111
	(Gatifloxacin)			27	55	98	75.4%	80
	(Nor floxacin)	40	38	25	23	18	23.2%	14
	Export ratio (%)	10.9%	10.5%	13.4%	15.8%	20.1%		14.8%
In-house ratio (%)		84.8%	79.6%	83.1%	82.4%	84.0%		88.1%

R&D, capex & depreciation

(Units: ¥ millions)

	3 / 98	3 / 99	3 / 00	3 / 01	3 / 02		3 / 03 (Forecast)
					Par	% chg	
R&D expense	5,707	5,578	5,764	6,191	6,031	2.6%	7,800
Capex (book base)	865	3,399	1,303	2,465	2,507	1.7%	5,300
Depreciation expense	2,434	2,932	2,903	2,730	3,207	17.5%	3,500

< Capital expenditure >

New drug production equipment and
other production equipment (each factory)
Staff loading, living quarters
(Noshiro Plant)

02 / 3

800 million

400 million

03 / 3

1000 million

Kilo-Labo equipment
New drug production equipment and
other production equipment (each factory)
Equipment for control, sales activities
Branch building rebuild

2600 million

1000 million

500 million

Financial summary (parent)

(Units: ¥ millions)

	3 / 9 8	3 / 9 9	3 / 0 0	3 / 0 1	3 / 0 2	3 / 0 3 (Forecast)
Sales (Exports)	4 6 , 1 5 9 (5 , 0 0 9)	4 5 , 9 1 9 (4 , 8 0 4)	5 1 , 5 1 8 (6 , 9 0 0)	5 4 , 6 7 1 (8 , 6 4 6)	6 1 , 1 3 1 (1 2 , 1 2 7)	7 5 , 0 0 0 (1 1 , 1 0 0)
COGS (Ratio to sales) %	1 2 , 2 6 5 (26.6%)	1 3 , 0 7 4 (28.5%)	1 5 , 8 2 6 (30.7%)	1 7 , 1 0 2 (31.3%)	1 8 , 3 7 6 (30.1%)	
SGA (Ratio to sales) %	2 7 , 5 5 6 (59.7%)	2 6 , 5 7 8 (57.9%)	2 7 , 1 9 7 (52.8%)	2 8 , 5 8 9 (52.3%)	3 0 , 8 8 9 (50.5%)	
R&D expense (Ratio to sales) %	5 , 7 0 7 (12.4%)	5 , 5 7 8 (12.1%)	5 , 7 6 4 (11.2%)	6 , 1 9 1 (11.3%)	6 , 0 3 1 (9.9%)	7 , 8 0 0 (10.4%)
Operating profit (Ratio to sales) %	6 , 3 3 6 (13.7%)	6 , 2 6 6 (13.6%)	8 , 4 9 5 (16.5%)	8 , 9 8 0 (16.4%)	1 1 , 8 6 5 (19.4%)	1 7 , 6 0 0 (23.5%)
Recurring profits (Ratio to sales) %	6 , 0 8 4 (13.2%)	6 , 5 9 4 (14.3%)	8 , 5 9 5 (16.7%)	9 , 5 2 4 (17.4%)	1 1 , 8 1 6 (19.3%)	1 7 , 8 0 0 (23.7%)
Net profit (Ratio to sales) %	2 , 2 8 1 (4.9%)	2 , 3 3 6 (5.1%)	4 , 1 9 4 (8.1%)	2 , 8 0 0 (5.1%)	3 , 7 8 5 (6.2%)	6 , 9 0 0 (9.2%)
EPS (¥)	¥ 3 9 . 6 3	¥ 4 0 . 5 8	¥ 7 2 . 8 7	¥ 4 8 . 6 5	¥ 5 5 . 6 7	¥ 7 9 . 9 1
Capital	3 , 6 2 3	3 , 6 2 3	3 , 6 2 3	3 , 6 2 3	4 , 3 1 7	4 , 3 1 7
Assets	1 1 2 , 9 3 6	1 1 1 , 6 9 7	1 1 7 , 1 5 4	1 2 4 , 7 9 8	1 3 3 , 4 2 7	
Shareholders' equity	9 0 , 3 0 6	9 2 , 5 3 8	9 7 , 7 4 0	9 9 , 4 8 2	1 0 1 , 7 0 3	
BPS (¥)	¥ 1 , 5 7 9 . 6 3	¥ 1 , 6 0 7 . 5 7	¥ 1 , 6 9 7 . 9 4	¥ 1 , 7 2 8 . 1 9	¥ 1 , 1 7 9 . 7 3	
ROE (%)	2 . 5 %	2 . 5 %	4 . 4 %	2 . 8 %	3 . 8 %	
Equity ratio (%)	8 0 . 5 %	8 2 . 8 %	8 3 . 4 %	7 9 . 7 %	7 6 . 2 %	
Staff	1 , 8 8 7	1 , 8 2 3	1 , 6 7 7	1 , 6 4 8	1 , 6 7 1	
Capital expenditure	8 6 5	3 , 3 9 9	1 , 3 0 3	2 , 4 6 5	2 , 0 5 7	5 , 3 0 0
Depreciation expense	2 , 4 3 4	2 , 9 3 2	2 , 9 0 3	2 , 7 3 0	3 , 0 2 7	3 , 5 0 0