

Profit and loss summary

Parent

¥ millions

Highlights

	3/99	Pct sales	3/00	Pct sales	Pct total	Value chg
Sales	45,919	100.0%	51,518	100.0%	12.2%	5,599
COGS	13,074	28.5%	15,826	30.7%	21.1%	2,752
Gross margins	32,845	71.5%	35,692	69.3%	8.7%	2,847
SG&A	26,578	57.9%	27,197	52.8%	2.3%	618
Of which R&D ratio	5,578	12.1%	5,764	11.2%	3.3%	186
Operating profit	6,266	13.6%	8,495	16.5%	35.6%	2,228
Non-operating income	904	2.0%	679	1.3%	-24.9%	-224
Non-operating expense	576	1.3%	579	1.1%	0.4%	2
Recurring profit	6,594	14.3%	8,595	16.7%	30.3%	2,001
Extraordinary profit	76	0.2%	18	0.0%	-75.4%	-58
Extraordinary loss	689	1.5%	555	1.1%	-19.5%	-134
Pretax profit	5,981	13.0%	8,059	15.6%	34.7%	2,077
Income taxes	3,645	7.9%	4,418	8.6%	21.2%	772
Translation adjustments	0		-553		-	-553
Net profit	2,336	5.1%	4,194	8.1%	79.5%	1,858

■ Sales	99/3	2000/3	(¥ mil)
Pharmaceuticals	44,100	48,200	(+4,100)
of which	Japan	41,300	(+2,000)
	Exports	6,900	(+2,100)
Mucodyne	14,300	15,500	
Baccidal	6,600	5,200	
Ketas	6,500	7,100	
Aplace	4,400	4,800	
Rocaltrol	3,300	3,800	
Megalocin	1,400	1,300	
Pentasa	2,600	3,300	
Other	1,700	3,200	(+1,500)
Milton	1,600	3,000	(+1,400)
■ COGS /sales ratio	28.5%	30.7%	

■ SG&A (Sales ratio fell from 57.9% to 52.8%)
SGA grew 2.3% compared to 12.2% growth in sales
Reductions in headcount, sales expenses offset a rise in amortization expenses for Milton (from ¥0.7 billion to ¥1.0 billion)

■ Non-operating expenses			(¥ mil)
Securities reevaluation loss	99/3	2000/3	
Foreign exchange loss	113	0	
	94	38	

■ Extraordinary loss
Delayed start of operation of Noshiro Plant

	99/3	2000/3	(¥ mil)
	494	426	

Balance sheet summary

Parent

¥ millions

Highlights

	3/99	Pct total	3/00	Pct total	Value chg
Current assets	84,895	76.0%	89,196	76.1%	4,300
Cash and time deposits	57,566		59,621		
Notes receivable	1,624		436		
Accounts receivable	15,306		17,462		
Marketable securities	2,598		2,902		
Inventories	6,547		6,458		
Other current assets	1,251		2,313		
Fixed assets	26,801	24.0%	27,958	23.9%	1,156
Tangible assets	13,559		13,032		
Intangible assets	8,156		7,428		
Investments, other	5,086		7,497		
Liabilities	12,992	11.7%	13,285	11.4%	292
Notes payable	668		447		
Accounts payable	3,040		3,573		
Short-term borrowings	-		-		
Other current assets	9,283		9,264		
Long-term liabilities	6,165	5.5%	6,129	5.2%	-36
Total liabilities	19,158	17.2%	19,414	16.6%	256
Paid-in capital	3,623		3,623		
Add'l paid-in capital	2,548		2,548		
Retained earnings	86,365		91,567		
Shareholders' equity	92,538	82.8%	97,740	83.4%	5,201
Total liab & sh/s' eq.	111,697	100.0%	117,154	100.0%	5,457

- Cash and deposits: (increase of ¥2,055 million)
- Notes Receivables and Accounts Receivables: (increase of ¥968 million)
- Reflecting sales increases in Japan
- Other current assets: (increase ¥1,061 million)
- Deferred tax assets up ¥1,030 million
- Investments, other: (increase ¥2,411 million)
- Deferred tax assets up ¥1,859 million
- Retained Earnings
The new treatment of inter-period tax allocation increased net income by ¥553 million and unappropriated earnings by ¥2,954 million

Sales

¥ millions

	3/96	3/97	3/98	3/99	3/2000	Yoy chg	3/01 FC
Mucodyne Mucuregulants	11,600	13,000	13,400	14,300	15,500	8.1	15,300
Baccidal Antibacterial agent	9,000	8,700	7,700	6,600	5,200	-22.2	4,100
Ketas For bronchial asthma and cerebrovascular disorders	7,300	7,600	7,000	6,500	7,100	7.7	7,200
Aplace Anti-ulcer agent	5,900	5,600	5,200	4,400	4,800	8.1	4,300
Rocaltrol Osteoporosis remedy	2,900	3,000	3,100	3,300	3,800	16.3	3,800
Megalocin Antibacterial agent	4,400	3,200	2,100	1,400	1,300	-8.4	1,000
Pentasa Ulcerative colitis and Crohn's disease treatment	-	900	1,800	2,600	3,300	26.0	3,700
Milton Effervescent disinfectant	-	-	-	1,600	3,000	82.1	3,300
Exports	5,000	5,900	5,000	4,800	6,900	43.6	7,200
Gatifloxacin	-	-	-	-	2,700	-	4,800
Exports	10.6%	11.8%	10.9%	10.5%	13.4%		13.8%
In-house products ratio	88.1%	87.4%	84.8%	79.6%	83.1%		82.8%

R&D expense, capex, depreciation

¥ millions

	3/96	3/97	3/98	3/99	3/2000	Yoy chg	3/01 FC
R&D expense	6,475	6,213	5,707	5,578	5,764	3.3%	5,800
Capex (book base)	5,063	1,439	865	3,399	1,303	-61.7%	2,500
Depreciation expense	1,783	2,312	2,434	2,932	2,903	-1.0%	2,900

Capital expenditures

Renovation of the central laboratory	3/2000 ¥ 300 million	3/2001
Equipment for synthesizing Gatifloxacin (Noshiro Plan)		¥ 1,000 million

Performance measures

Parent

Full-year

¥ millions

	3/96	3/97	3/98	3/99	3/2000
Sales	48,121	49,949	46,159	45,919	51,518
Exports	5,098	5,900	5,009	4,804	6,900
COGS	11,482	12,580	12,265	13,074	15,826
COGS ratio (%)	23.9%	25.2%	26.6%	28.5%	30.7%
SGA	29,155	29,255	27,556	26,578	27,197
SGA ratio (%)	60.6%	58.6%	59.7%	57.9%	52.8%
			*26,749		
R&D expense	6,475	6,213	5,707	5,578	5,764
R&D expense ratio (%)	13.5%	12.4%	12.4%	12.1%	11.2%
Operating profits	7,483	8,113	6,336	6,266	8,495
Operating profits ratio (%)	15.6%	16.2%	13.7%	13.6%	16.5%
			*7,144		
Recurring profits	8,268	8,574	6,084	6,594	8,595
Recurring profits ratio (%)	17.2%	17.2%	13.2%	14.3%	16.7%
			*6,891		
Net profits	3,997	3,939	2,281	2,336	4,194
Net profits ratio (%)	8.3%	7.9%	4.9%	5.1%	8.1%
EPS (¥)	70.29	68.79	39.63	40.58	72.87
Capital	3,186	3,623	3,623	3,623	3,623
Total assets	114,182	110,695	112,936	111,697	117,154
Shareholders' equity	85,303	89,395	90,930	92,538	97,740
BPS (¥)	1500.12	1552.79	1579.63	1607.57	1697.94
ROE (%)	4.8%	4.5%	2.5%	2.5%	4.4%
Equity ratio (%)	74.7%	80.7%	80.5%	82.8%	83.4%
Employees	1,976	1,954	1,887	1,823	1,677
Capital expenditures	5,063	1,439	865	3,399	1,303
Depreciation expense	1,783	2,312	2,434	2,932	2,903

* Shown for comparative purpose, reflect change in tax treatment in 3/99 term