

P&L summary

Parent

Units: ¥ millions

Points

	3/00	% sales	3/01	% sales	Yr chg	Amt chg
Sales	51,518	100.0%	54,671	100.0%	6.1%	3,152
COGS	15,826	30.7%	17,102	31.3%	8.1%	1,275
Gross profit	35,692	69.3%	37,569	68.7%	5.3%	1,876
SG&A	27,197	52.8%	28,589	52.3%	5.1%	1,392
(of which R&D)	(5,764)	11.2%	(6,191)	11.3%	7.4%	(426)
Operating profit	8,495	16.5%	8,980	16.4%	5.7%	484
Non-op income	679	1.3%	744	1.4%	9.6%	65
Non-op expense	579	1.1%	200	0.4%	65.4%	378
Recurring profit	8,595	16.7%	9,524	17.4%	10.8%	928
Extraordinary profits	18	0.0%	29	0.1%	54.1%	10
Extraordinary losses	555	1.1%	3,435	6.3%	518.5%	2,879
Pretax profit	8,059	15.6%	6,118	11.2%	24.1%	1,940
Corporate, inhabitants and enterprise taxes	4,418	8.6%	5,125	9.4%	16.0%	707
Tax adjustments	553	1.1%	1,807	3.3%		1,253
Net profit	4,194	8.1%	2,800	5.1%	33.2%	1,394

Sales	3/00	3/01	¥ billions
Pharmaceuticals	48.2	51.5	+3.2
Other sales	3.2	3.1	±0

Sales	3/00	3/01
Mucodyne	15.5	16.1
Baccidal	5.2	4.5
Ketas	7.1	7.5
Aplace	4.8	4.5
Rocaltrol	3.8	3.8
Pentasa	3.3	4.0
Gatifloxacin	2.7	5.5
Milton	3.0	2.9

Exports	6.9	8.6
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COGS sales ratio rose from 30.7% to 31.3% due to revision in National Drug Price

SG&A fell from 52.8% to 52.3% due to a 5.1% rise increase in SGA versus a sales increase of 6.1%

Cause for increase: Change in accounting treatment of the Noshiro Plant expenses

R&D expense (Increase of ¥426 million)

Provision for allowance for pension retirement benefits (up ¥880 million)

Non-operating income

Cause for increase: Foreign exchange gains

Non-operating expense

Cause for decrease: Decline in raw material write-off

Extraordinary losses

Cause for increase: change in retirement accounting standards

00 / 3	01 / 3
—	¥3,181 million

Tax effect

Additional ¥1,194 million due to change in retirement accounting standards

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¥553 million	¥1,807 million

B/S summary

Parent	Unit: ¥ millions				
	3/00	% total	3/01	% total	Amount chg
Current assets	89,196	76.1%	91,731	73.5%	2,535
Cash, deposits	59,621		57,332		
Notes receivable	436		412		
Accounts rec'd	17,462		20,427		
Mrk securities	2,902		4,011		
Inventories	6,458		6,919		
Other	2,313		2,628		
Non-current assets	27,958	23.9%	33,066	26.5%	5,107
Tangible assets	13,032	11.1%	13,802	11.1%	
Intangible assets	7,428	6.4%	7,355	5.9%	
Investments	7,497	6.4%	11,908	9.5%	
Current liabilities	13,285	11.4%	15,211	12.2%	1,926
Notes payable	447		903		
Accounts payable	3,573		4,138		
Other current liab'l	9,264		10,168		
Non-current liabilities	6,129	5.2%	10,104	8.1%	3,975
Total liabilities	19,414	16.6%	25,316	20.3%	5,901
Capital	3,623	3.1%	3,623	2.9%	
Legal reserves	2,548	2.2%	2,548	2.0%	
Retained earnings	91,567	78.1%	93,309	74.8%	
Shareholders' eq	97,740	83.4%	99,482	79.7%	1,741
Liabilities & Sh/s eq	117,154	100.0%	124,798	100.0%	7,643

Point

Cash & deposits (down ¥2,289 million) due to marketable securities

Accounts receivable (up ¥2,941 million) due to financial institutions holiday (3/31/01)

Marketable securities (up ¥1108 million)

Investments (up ¥4410 million)

Deferred tax assets (up ¥1,743 million)

Marketable securities (up ¥1,353 million)

Current liabilities (up ¥1,926 million)

Non-current liabilities (up ¥3.975 billion)

Increase allowance for pension retirement benefits from ¥5.765 billion in 3/00 to ¥9.717 billion in 3/01 (up ¥3.951 billion)

Sales update

¥ 00 millions

	3/97	3/98	3/99	3/00	3/01	% chg	3/02 forecast
Mucodyne Mucuregulants	1 3 0	1 3 4	1 4 3	1 5 5	1 6 1	4.0%	1 7 1
Baccidal Antibacterial agent	8 7	7 7	6 6	5 2	4 5	13.6%	3 3
Ketas For bronchial asthma and cerebrovascular disorders	7 6	7 0	6 5	7 1	7 5	5.9%	8 1
Aplace Anti-ulcer agent	5 6	5 2	4 4	4 8	4 5	6.1%	4 1
Rocaltrol Osteoporosis remedy	3 0	3 1	3 3	3 8	3 8	0.2%	4 0
Pentasa Ulcerative colitis and Crohn's disease treatment	9	1 8	2 6	3 3	4 0	21.8%	4 7
Milton Effervescent disinfectant			1 6	3 0	2 9	4.0%	3 1
Kipres							2 2

No estimates for Gatiflo tablets have been included as NDA is underway

Exports	5 9	5 0	4 8	6 9	8 6	25.3%	1 0 2
(Gatifloxacin)				2 7	5 5	102.2%	8 1
Export ratio	11.8%	10.9%	10.5%	13.4%	15.8%		17.6%
In-house ratio	87.4%	84.8%	79.6%	83.1%	82.4%		82.7%

R&D, capex & depreciation

	3/97	3/98	3/99	3/00	3/01	% chg	3/02 forecast
R&D expense	6,213	5,707	5,578	5,764	6,191	7.4%	6,300
Capex (book base)	1,439	865	3,399	1,303	2,465	89.2%	2,300
Depreciation expense	2,312	2,434	2,932	2,903	2,730	6.0%	3,300

Capital expenditure

	3/01	3/02
Synthesizing equipment for Gatifloxacin (Noshiro Plant)	¥1,000 million	
New production equipment (Nogi Plant)	¥700 million	
New drug production equipment and other production equipment (each factory)		¥700 million
Equipment for control, sales activities		¥500 million
Staff loading, living quarters (Noshiro Plant)		¥300 million

Financial points (Parent)

Units: ¥ millions

	3/97	3/98	3/99	3/00	3/01	3/02 forecast
Sales (Exports)	49,949 (5,900)	46,159 (5,009)	45,919 (4,804)	51,518 (6,900)	54,671 (8,646)	58,100 (10,200)
COGS (Ratio to sales) %	12,580 (25.2%)	12,265 (26.6%)	13,074 (28.5%)	15,826 (30.7%)	17,102 (31.3%)	
SGA (Ratio to sales) %	29,255 (58.6%)	27,556 (59.7%)	26,578 (57.9%)	27,197 (52.8%)	28,589 (52.3%)	
R&D expense (Ratio to sales) %	6,213 (12.4%)	5,707 (12.4%)	5,578 (12.1%)	5,764 (11.2%)	6,191 (11.3%)	6,300 (10.8%)
Operating profit (Ratio to sales) %	8,113 (16.2%)	6,336 (13.7%)	6,266 (13.6%)	8,495 (16.5%)	8,980 (16.4%)	8,900 (15.3%)
Recurring profits (Ratio to sales) %	8,574 (17.2%)	6,084 (13.2%)	6,594 (14.3%)	8,595 (16.7%)	9,524 (17.4%)	9,300 (16.0%)
Net profit (Ratio to sales) %	3,939 (7.9%)	2,281 (4.9%)	2,336 (5.1%)	4,194 (8.1%)	2,800 (5.1%)	3,000 (5.2%)
EPS (¥)	68.79	39.63	40.58	72.87	48.65	52.12
Capital	3,623	3,623	3,623	3,623	3,623	3,623
Assets	110,695	112,936	111,697	117,154	124,798	
Shareholders' equity	89,385	90,306	92,538	97,740	99,482	
BPS (¥)	1,552.79	1,579.63	1,607.57	1,697.94	1,728.19	
ROE (%)	4.5%	2.5%	2.5%	4.4%	2.8%	
Equity ratio (%)	80.7%	80.5%	82.8%	83.4%	79.7%	
Employees	1,954	1,887	1,823	1,677	1,648	
Capital expenditure	1,439	865	3,399	1,303	2,465	2,300
Depreciation expense	2,312	2,434	2,932	2,903	2,730	3,300