

P&L summary

Points

Consolidated

Units: ¥ millions

| | 9/00 | % sales | 9/01 | % sales | Yr chg | Amt chg |
|--|-------------------|------------------|-------------------|------------------|---------------|---------|
| Sales | 26,210 | 100.0% | 29,293 | 100.0% | 11.8% | 3,082 |
| COGS | 8,681 | 33.1% | 9,613 | 32.8% | 10.7% | 932 |
| Gross profit | 17,529 | 66.9% | 19,679 | 67.2% | 12.3% | 2,149 |
| SG&A (of which R&D) | 14,010 (2,795) | 53.5% (10.7%) | 15,847 (2,954) | 54.1% (10.1%) | 13.1% 5.7% | 1,836 |
| Operating profit | 3,518 | 13.4% | 3,831 | 13.1% | 8.9% | 312 |
| Non-op income | 342 | 1.3% | 214 | 0.7% | 37.5% | 128 |
| Non-op expense | 83 | 0.3% | 98 | 0.3% | 18.8% | 15 |
| Recurring profit | 3,778 | 14.4% | 3,946 | 13.5% | 4.5% | 168 |
| Extraordinary profits | 19 | 0.1% | 36 | 0.1% | 87.3% | 17 |
| Extraordinary losses | 1,721 | 6.6% | 1,976 | 6.7% | 14.8% | 254 |
| Pretax profit | 2,076 | 7.9% | 2,007 | 6.9% | 3.3% | 68 |
| Corporate, inhabitants and enterprise taxes | 1,954 | 7.5% | 2,058 | 7.0% | 5.3% | 104 |
| Tax adjustments | 862 | 3.3% | 922 | 3.2% | | 59 |
| Net profit | 985 | 3.7% | 871 | 3.0% | 11.5% | 113 |

Consolidated companies (4) Kyobundo, Bistner, Kyorin USA, Bistner Fund No.1

Affiliated companies (2) Nisshin Kyorin Seiyaku, Nihon Rikagaku Yakuhin

| | | | |
|-----------------|--------|--------|--------------|
| Sales | 00 / 9 | 01 / 9 | (¥ billions) |
| Pharmaceuticals | 24.0 | 27.1 | (+3.0) |
| o/w Japan | 20.4 | 21.1 | |
| Exports | 3.5 | 5.9 | |
| By product | 00 / 9 | 01 / 9 | (¥ billions) |
| Mucodyne | 7.0 | 7.6 | |
| Baccidal | 2.0 | 1.7 | |
| Ketas | 3.7 | 3.7 | |
| Aplace | 2.3 | 2.1 | |
| Rocaltrol | 1.9 | 1.9 | |
| Pentasa | 1.9 | 2.2 | |
| Kipres | 0 | 1.7 | |
| Gatifloxacin | 2.0 | 4.8 | |

Other products 1.6 1.5 (± 0)
o/w Milton 1.4 1.4

Other business 0.5 0.5 (± 0)

COGS ratio (vs sales 33.1% 32.8%). Virtually unch. (slight drop)

SGA ratio (vs sales 53.5% 54.1%)
SGA grew by 13.1% vs sales growth of 11.8%

Cause for rise: Marketing to launch Kipres

Personnel expense (no staff increase, provision for allowance for pension retirement benefits)

Non-operating income (down ¥128 million yoy)
Cause for decline: Fall in net financial income

Extraordinary losses (increase ¥254 million yoy)
Cause for increase: change in retirement accounting standards
¥1,590 million
Valuation losses on securities of ¥305 million

BS summary

Consolidated

Units: ¥ millions

Points

| | 9/00 | % total | 9/01 | % total | Amount chg |
|---------------------------------------|---------------|---------|---------------|---------|------------|
| Current assets | 8 9 , 0 2 9 | 74.7% | 9 4 , 4 0 8 | 74.1% | 5 , 3 7 8 |
| Cash, deposits | 5 8 , 4 2 1 | | 6 0 , 9 0 9 | | |
| A/R, notes receivable | 1 7 , 2 2 6 | | 1 9 , 1 2 3 | | |
| Mk securities | 4 , 0 0 2 | | 3 , 4 6 9 | | |
| Inventory | 6 , 5 4 2 | | 8 , 2 3 0 | | |
| Other | 2 , 8 3 7 | | 2 , 6 7 5 | | |
| Non-current assets | 3 0 , 2 1 9 | 25.3% | 3 3 , 0 7 4 | 25.9% | 2 , 8 5 5 |
| Tangible assets | 1 3 , 3 0 8 | | 1 3 , 8 8 7 | | |
| Intangible assets | 7 , 5 2 8 | | 7 , 0 2 0 | | |
| Investments | 9 , 3 8 2 | | 1 2 , 1 6 6 | | |
| Current liabilities | 1 2 , 5 2 8 | 10.5% | 1 5 , 0 2 8 | 11.8% | 2 , 4 9 9 |
| A/P, notes payable | 4 , 6 7 9 | | 6 , 3 0 6 | | |
| Other | 7 , 8 4 8 | | 8 , 7 2 2 | | |
| Non-current liab. | 8 , 1 9 8 | 6.9% | 1 2 , 3 4 7 | 9.7% | 4 , 1 4 9 |
| Total liabilities | 2 0 , 7 2 7 | 17.4% | 2 7 , 3 7 6 | 21.5% | 6 , 6 4 8 |
| Capital | 3 , 6 2 3 | 3.0% | 3 , 6 2 3 | 2.8% | |
| Legal reserve | 1 , 6 4 2 | 1.4% | 1 , 6 4 2 | 1.3% | |
| Retained earnings | 9 3 , 1 2 1 | 78.1% | 9 5 , 0 5 1 | 74.6% | |
| Net reevaluation of marketable sec's. | 1 3 8 | | 2 1 9 | 0.2% | |
| Shareholders' eq. | 9 8 , 5 2 2 | 82.6% | 1 0 0 , 1 0 7 | 78.5% | 1 , 5 8 5 |
| Liabilities & sh/s eq. | 1 1 9 , 2 4 9 | 100.0% | 1 2 7 , 4 8 3 | 100.0% | 8 , 2 3 3 |

Cash & deposits (up ¥2,488 million yoy)

A/R, notes receivable (up ¥1,896 million yoy)

Inventory (¥1,688 million yoy)

Intangible assets (down ¥508 million yoy)

Investments (up ¥2,783 million yoy)

Deferred tax assets (up ¥2,060 million yoy)

Marketable securities (up ¥663 million yoy)

Other (up ¥64 million yoy)

Current liabilities (up ¥2,499 million yoy)

A/P payable (up ¥1,626 million yoy)

Other (up ¥642 million yoy)

Increase in other accounts payable

Non-current liabilities (up ¥4,149 million yoy)

Increase in allowance for pension retirement benefits (up ¥4,131 million yoy)

Financial summary (consolidated)

| | | | Interim period | | Full-term | Units: ¥ millions |
|---|--|--|-------------------|-------------------|-------------------|--------------------|
| | | | 9/00 | 9/01 | 3/01 | 3/02 (Forecast) |
| Sales (Exports) | | | 26,210 (3,589) | 29,293 (5,984) | 55,832 (8,646) | 62,400 (12,600) |
| COGS (Ratio to sales) % | | | 8,681 (33.1) | 9,613 (32.8) | 17,974 (32.2) | |
| SGA (Ratio to sales) % | | | 14,010 (53.5) | 15,847 (54.1) | 28,808 (51.6) | |
| R&D expense (Ratio to sales) % | | | 2,795 (10.7) | 2,954 (10.1) | 6,191 (11.1) | 6,200 (9.9) |
| Operating profit (Ratio to sales) % | | | 3,518 (13.4) | 3,831 (13.1) | 9,049 (16.2) | 10,200 (16.3) |
| Recurring profits (Ratio to sales) % | | | 3,778 (14.4) | 3,946 (13.5) | 9,786 (17.5) | 10,300 (16.5) |
| Net profit (Ratio to sales) % | | | 985 (3.7) | 871 (3.0) | 2,951 (5.3) | 3,200 (5.1) |
| EPS (¥) | | | 17.11 | 15.14 | 51.27 | *47.08 (55.59) |
| Capital | | | 3,623 | 3,623 | 3,623 | *4,317 |
| Assets | | | 119,249 | 127,483 | 125,476 | |
| Shareholders' equity | | | 98,522 | 100,107 | 99,750 | |
| BPS (¥) | | | 1,711 | 1,739 | 1,732 | |
| ROE (%) | | | 1.0 | 0.9 | 3.0 | |
| Equity ratio (%) | | | 82.6 | 78.5 | 79.5 | |
| Staff | | | 1,724 | 1,746 | 1,696 | |
| Capital expenditure | | | 1,099 | 950 | 2,465 | 2,300 |
| Depreciation expense | | | 1,312 | 1,518 | 2,735 | 3,300 |

* Capital as of 3/02 is the amount after the 1:1.5 share split on 11/20/01. EPS is based on average shares outstanding during period. Figure in () is the unadjusted amount.