

Consolidated Balance Sheets

Kyorin Pharmaceutical Co., Ltd. and Consolidated Subsidiaries
March 31, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2005	2004	2005
Assets			
Current assets:			
Cash and cash in banks (Notes 4 and 11)	¥ 8,760	¥ 39,235	\$ 81,572
Notes and accounts receivable	24,655	22,560	229,584
Short-term investments (Notes 4 and 5)	3,010	4,221	28,029
Inventories	10,152	9,408	94,534
Deferred tax assets (Note 12)	2,171	1,436	20,216
Other	3,079	4,378	28,671
Allowance for doubtful accounts	(48)	(42)	(447)
Total current assets	51,782	81,198	482,186
Property, plant and equipment, at cost:			
Land	1,669	1,748	15,541
Buildings	23,867	25,145	222,246
Machinery and equipment	11,958	12,421	111,351
Other	5,638	5,406	52,500
Construction in progress	5,126	73	47,733
Less accumulated depreciation	(31,264)	(30,092)	(291,126)
Property, plant and equipment, net	16,997	14,702	158,274
Investments and other assets:			
Investment securities (Notes 5 and 11)	28,621	12,270	266,515
Long-term loans	175	239	1,630
Goodwill	1,439	14	13,400
Trademark	2,839	3,663	26,436
Deferred tax assets (Note 12)	4,469	5,816	41,615
Other	2,928	3,471	27,265
Allowance for doubtful accounts	(18)	(21)	(168)
Total investments and other assets	40,455	25,454	376,711
Total assets	¥109,234	¥121,355	\$1,017,171

See accompanying notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2005	2004	2005
Liabilities and shareholders' equity			
Current liabilities:			
Notes and accounts payable	¥ 5,827	¥ 5,618	\$ 54,260
Accrued income taxes (Note 12)	48	1,491	447
Accrued bonuses to employees	2,036	2,340	18,959
Reserve for sales returns	41	32	382
Other	3,267	4,778	30,422
Total current liabilities	11,220	14,261	104,479
Long-term liabilities:			
Retirement benefit obligation at transition (Notes 2 (j) and 10)	2,573	—	23,959
Accrued retirement benefits for employees (Note 10)	4,389	14,770	40,870
Accrued retirement benefits for directors and corporate auditors	374	403	3,483
Other	133	63	1,238
Total long-term liabilities	7,470	15,237	69,560
Minority interests	—	—	—
Shareholders' equity (Note 6):			
Common stock, no par value:	4,317	4,317	40,199
Authorized—345,000,000 shares in 2005 and 2004			
Issued—86,346,246 shares in 2005 and 2004			
Additional paid-in capital	949	949	8,837
Retained earnings	105,294	104,735	980,482
Unrealized holding gain on securities	713	2,478	6,639
Translation adjustments	(6)	(4)	(56)
Treasury stock, at cost:			
12,057,778 shares in 2005 and 11,990,246 shares in 2004	(20,724)	(20,619)	(192,979)
Total shareholders' equity	90,544	91,856	843,133
Contingent liabilities (Note 15)			
Total liabilities and shareholders' equity	¥109,234	¥121,355	\$1,017,171