

To whom it may concern:

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Pharmaceutical  
Code No.: 4560  
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## Notice of Revision of Earnings Estimates

We will revise our earnings estimates released at the time of results announcement of May 20, 2002 as follows based on the recent trend in business performance, etc.:

### 1. Revision of interim earnings estimates for the year through March 2003

(April 1, 2002 - September 30, 2002)

(In millions of yen, %)

|   | Sales    | Ordinary profit | Current net income |
|---|----------|-----------------|--------------------|
| Previous earnings estimates (A)<br>(Released on May 20, 2002)           | 35,700.0 | 7,700.0         | 3,200.0            |
| Revised earnings estimates (B)  | 31,100.0 | 4,300.0         | 1,300.0            |
| Amount of change (B - A)  | -4,600.0 | -3,400.0        | -1,900.0           |
| Percent change  | -12.9    | -44.2           | -59.4              |
| Results for the previous term<br>(interim term ended September<br>2001) | 28,695.0 | 3,874.0         | 867.0              |

### 2. Revision of interim consolidated earnings estimates for the year through March 2003

(April 1, 2002 - September 30, 2002)

(In millions of yen, %)

|   | Sales    | Ordinary profit | Current net income |
|---|----------|-----------------|--------------------|
| Previous earnings estimates (A)<br>(Released on May 20, 2002)           | 36,300.0 | 7,800.0         | 3,300.0            |
| Revised earnings estimates (B)  | 31,700.0 | 4,500.0         | 1,400.0            |
| Amount of change (B - A)  | -4,600.0 | -3,300.0        | -1,900.0           |
| Percent change  | -12.7    | -42.3           | -57.6              |
| Results for the previous term<br>(interim term ended September<br>2001) | 29,293.0 | 3,946.0         | 871.0              |

### 3. Revision of earnings estimates for the full year through March 2003

(April 1, 2002 - March 31, 2003)

(In millions of yen, %)

|   | Sales    | Ordinary profit | Current net income |
|---|----------|-----------------|--------------------|
| Previous earnings estimates (A)<br>(Released on May 20, 2002) | 75,000.0 | 17,800.0        | 6,900.0            |
| Revised earnings estimates (B)                                | 70,600.0 | 14,000.0        | 5,200.0            |
| Amount of change (B - A)                                      | -4,400.0 | -3,800.0        | -1,700.0           |
| Percent change  | -5.9     | -21.3           | -24.6              |
| Results for the previous term<br>(full year ended March 2002) | 61,131.0 | 11,816.0        | 3,785.0            |

#### 4. Revision of consolidated earnings estimates for the full year through March 2003

(April 1, 2002 – March 31, 2003)

(In millions of yen, %)

|   | Sales    | Ordinary profit | Current net income |
|---|----------|-----------------|--------------------|
| Previous earnings estimates (A)<br>(Released on May 20, 2002) | 76,300.0 | 17,900.0        | 7,000.0            |
| Revised earnings estimates (B)                                | 71,900.0 | 14,300.0        | 5,400.0            |
| Amount of change (B – A)                                      | -4,400.0 | -3,600.0        | -1,600.0           |
| Percent change  | -5.8     | -20.1           | -22.9              |
| Results for the previous term<br>(full year ended March 2002) | 62,395.0 | 12,210.0        | 4,117.0            |

#### 5. Reasons for revision

1) In this interim term, overseas sales are expected to be lower than initially estimated due to excess stock of Tequin (gatifloxacin) of U.S. Bristol-Myers Squibb (BMS).

Domestic sales of medical pharmaceutical products, which are estimated to sharply increase thanks to the marketing of a new medicine (oral antibacterial drug: Gatiflo tablets), will not reach the figure initially targeted.

As a result, estimated sales for the current interim term (non-consolidated basis) come to ¥31.1 billion, lower than initially forecast.

In addition, to profits, although revenues are likely to grow following an increase in domestic sales, gross profit on sales will decline due to estimate of lower sales than initially expected, resulting in projected lower ordinary profit and current net income than figures initially forecast.

2) For the full year, we will endeavor to achieve the goals for the second half of the business year by enhancing sales promotion activities for new medicines in terms of domestic medical pharmaceutical products.

As overseas sales are estimated to fall below initial expectations as in the first half despite the effects of excess stock problem of BMS coming to an end within this year,

estimates for the full year will be weaker than initially expected, with sales being ¥70.6 billion, ordinary profit standing at ¥14 billion, and net income amounting to ¥5.2 billion.

#### Remarks:

Earnings estimates and future expectations contained in this material are based on information available at this stage and include potential risks and uncertainties.

Accordingly, please note that actual performance may differ from such estimates or expectations due to various factors.

## Supplementary material

### 1. Non-consolidated sales

Unit: million yen

|                           | Year to Mar 2002<br>(interim results) | Year to Mar 2003<br>(interim estimate) | Year to Mar 2003<br>(revised) | Change in the<br>previous year | Change from<br>estimate |
|---------------------------|---------------------------------------|--|-------------------------------|--------------------------------|-------------------------|
| Sales                     | 28,695                                | 35,700                                 | 31,100                        | 2,405                          | -4,600                  |
| Domestic medical products | 21,116                                | 29,000                                 | 26,500                        | 5,384                          | -2,500                  |
| Overseas medical products | 5,984                                 | 5,000                                  | 2,800                         | -3,184                         | -2,200                  |
| Other                     | 1,595                                 | 1,700                                  | 1,800                         | 205                            | 100                     |

|                           | Year to Mar 2002<br>(full-year results) | Year to Mar 2003<br>(full-year estimate) | Year to Mar 2003<br>(revised) | Change in the<br>previous year | Change from<br>estimate |
|---------------------------|---|--|-------------------------------|--------------------------------|-------------------------|
| Sales                     | 61,131                                  | 75,000                                   | 70,600                        | 9,469                          | -4,400                  |
| Domestic medical products | 45,626                                  | 60,400                                   | 59,500                        | 13,874                         | -900                    |
| Overseas medical products | 12,127                                  | 11,100                                   | 7,500                         | -4,627                         | -3,600                  |
| Other                     | 3,378                                   | 3,500                                    | 3,600                         | 222                            | 100                     |

### 2. Non-consolidated sales of primary products

Sales estimates of primary products for the interim term and full year are as shown in the following table:

100 million yen

| Interrim  | Year to Mar 2002<br>(interim results) | Year to Mar 2003<br>(interim estimate) | Year to Mar 2003<br>(revised) | Change in the<br>previous year | Change from<br>estimate |
|---|---------------------------------------|--|-------------------------------|--------------------------------|-------------------------|
| Mucodyne  | 76                                    | 78                                     | 76                            | 0                              | -2                      |
| Baccidal  | 17                                    | 12                                     | 13                            | -4                             | 1                       |
| Ketas   | 37                                    | 46                                     | 36                            | -1                             | -10                     |
| Aplace  | 21                                    | 16                                     | 17                            | -4                             | 1                       |
| Rocaltrol   | 19                                    | 14                                     | 16                            | -3                             | 2                       |
| Pentasa   | 22                                    | 24                                     | 26                            | 4                              | 2                       |
| Kipres  | 17                                    | 30                                     | 26                            | 9                              | -4                      |
| Gatiflo<br>(only domestic sales by this<br>company) | 0                                     | 46                                     | 20                            | 20                             | -26                     |
| Gatiflo (overseas)                                  | 48                                    | 39                                     | 17                            | -31                            | -22                     |

| Full-year   | Year to Mar 2002<br>(full-year results) | Year to Mar 2003<br>(full-year estimate) | Year to Mar 2003<br>(revised) | Change in the<br>previous year | Change from<br>estimate |
|---|---|--|-------------------------------|--------------------------------|-------------------------|
| Mucodyne  | 175                                     | 177                                      | 175                           | 0                              | -2                      |
| Baccidal  | 36                                      | 24                                       | 24                            | -12                            | 0                       |
| Ketas   | 75                                      | 100                                      | 85                            | 10                             | -15                     |
| Aplace  | 43                                      | 30                                       | 34                            | -9                             | 4                       |
| Rocaltrol   | 38                                      | 27                                       | 32                            | -6                             | 5                       |
| Pentasa   | 45                                      | 50                                       | 54                            | 9                              | 4                       |
| Kipres  | 31                                      | 75                                       | 71                            | 40                             | -4                      |
| Gatiflo<br>(only domestic sales by this<br>company) | 0                                       | 100                                      | 85                            | 85                             | -15                     |
| Gatiflo (overseas)                                  | 98                                      | 80                                       | 46                            | -52                            | -34                     |

### 3. Specific activities in the second half of the business year

(1) Active expansion of prescription of Gatiflo tablets, respiratory quinolone, to respiratory infectious diseases

\* Sales of Gatiflo tablets are expected to grow in the second half in which respiratory infectious diseases will increase, and we will strengthen the sales promotion activity for more sales.

(2) Expansion of prescription following permission of long-term administration of Kipres

\* As one year has passed since the marketing of Kipres, long-term prescription can be made, so we will further expand its sales.