

May 23, 2008

Press Release

Fiscal Year through March 2008 – Consolidated Results

I. Consolidated results for year ended March 2008 (April 1, 2007 to March 31, 2008)

1) Operating results (JPY million)

	2008	2007	Year-on-year change
Net sales	928,480	853,948	8.7%
Operating income	118,254	91,490	29.3%
Ordinary income	124,125	113,983	8.9%
Net income	61,865	52,874	17.0%

2) Financial position (JPY million)

	2008	2007	Year-on-year change
Total assets	1,033,976	982,113	5.3%
Net assets	731,782	667,781	9.6%
Equity capital ratio	48.6%	45.9%	-
Net assets per share	38,132.36	34,158.53	11.6%

Net assets per share: Yen

3) Statement of cash flow (JPY million)

	2008	2007
Cash flow from operating activities	117,248	82,217
Cash flow from investing activities	(75,483)	(67,633)
Cash flow from financing activities	(16,209)	(3,229)
Cash and cash equivalents at end of year	222,647	201,476

4) Expenditures (JPY million)

	2008	2007	Year-on-year change
Research and development expenditure	101,804	105,255	(3.3%)

5) Scope of consolidation

Consolidated subsidiaries: 44

Companies accounted for under the equity method: 12

6) Changes in scope of consolidation

Newly consolidated subsidiaries: 3 companies

M-fold Biotech GmbH

Euriso -Top GmbH

Giant Harvest Limited

Deconsolidated subsidiaries (deleted): 1 company

Meretek Diagnostics, Inc.

II. Consolidated companies: 56

Fully consolidated subsidiaries: 44

1	Otsuka Pharmaceutical Factory, Inc.	Manufacture and sales of pharmaceutical/nutritional products
2	Taiho Pharmaceutical Co., Ltd.	Manufacture and sales of pharmaceutical products
3	Otsuka Techno Corporation	Manufacture and sales of synthetic resin molded products
4	JIMRO Co., Ltd.	Development of medical treatment systems for treating intractable diseases
5	EN Otsuka Pharmaceutical Co., Ltd.	Manufacture and sales of pharmaceutical products
6	Otsuka Beverage Co., Ltd.	Manufacture, import and sales of beverages
7	Otsuka Warehouse Co., Ltd.	Warehousing and transport business
8	Otsuka Packaging Industries Co., Ltd.	Manufacture and sales of paper products
9	Otsuka Electronics Co., Ltd.	Manufacture and sales of analysis and measurement equipment
10	Otsuka America, Inc.	Holding company
11	Otsuka America Pharmaceutical, Inc.	Manufacture and sales of pharmaceutical products
12	Otsuka Pharmaceutical Development & Commercialization, Inc.	Clinical development and commercialization of pharmaceutical products
13	Otsuka Maryland Medicinal Laboratories, Inc.	Commissioned research and development of pharmaceutical products
14	Cambridge Isotope Laboratories Inc.	Manufacture and sales of reagents for research such as stable isotopes
15	CIL Isotope Separations LLC	Manufacture of reagents for research such as stable isotopes
16	Pharmavite LLC	Manufacture and sales of nutritional products
17	Ridge Vineyards, Inc.	Wine manufacture and sales
18	Crystal Geysers Water Company	Manufacture and sales of beverages
19	Soma Beverage LLC	Manufacture and export of cool drinks and non-essential beverages
20	2768691 Canada, Inc.	Manufacture of reagents for research such as stable isotopes
21	Otsuka Pharmaceutical Europe Ltd.	Manufacture and sales of pharmaceutical products
22	Otsuka Pharmaceuticals (UK) Ltd.	Purchasing and sales of pharmaceutical products
23	Otsuka Pharmaceutical, S.A.	Manufacture and sales of pharmaceutical products
24	Otsuka Pharma GmbH	Purchasing and sales of pharmaceutical products
25	Cambridge Isotope Laboratories (Europe), GmbH	Holding company
26	Advanced Biochemical Compounds, GmbH	Development and manufacture of reagents for research such as stable isotopes
27	Euriso-Top GmbH	Manufacture of reagents for research such as stable isotopes
28	M-fold Biotech GmbH	Research and development of pharmaceutical products
29	Otsuka Pharma Scandinavia AB	Purchasing and sales of pharmaceutical products

30	Euriso-Top S.A.S	Manufacture of reagents for research such as stable isotopes
31	Korea Otsuka Pharmaceutical Co., Ltd.	Manufacture and sales of pharmaceutical products
32	Otsuka (China) Investment Co., Ltd.	Holding company
33	Guangdong Otsuka Pharmaceutical Co., Ltd.	Manufacture and sales of pharmaceutical products
34	Zhejiang Otsuka Pharmaceutical Co., Ltd.	Manufacture and sales of pharmaceutical products
35	Sichuan Otsuka Pharmaceutical Co., Ltd.	Manufacture and sales of pharmaceutical products
36	Tianjin Otsuka Beverage Co., Ltd.	Manufacture and sales of beverages
37	Taiwan Otsuka Pharmaceutical Co., Ltd.	Manufacture and sales of pharmaceutical products
38	Giant Harvest Limited.	Holding company
39	P.T. Otsuka Indonesia	Manufacture and sales of pharmaceutical products
40	P.T. Merapi Utama Pharma	Purchasing and sales of pharmaceutical products and medical equipment
41	P.T. Widatra Bhakti	Manufacture and sales of pharmaceutical products
42	P.T. Amerta Indah Otsuka	Manufacture and sales of beverages
43	P.T. Otsuka Jaya Indah	Purchasing and sales of beverages and agricultural products
44	Egypt Otsuka Pharmaceutical Co., S.A.E.	Manufacture and sales of pharmaceutical products

Companies accounted for under the equity method: 12

1	Otsuka Pakistan Ltd.	Manufacture and sales of pharmaceutical products
2	Otsuka Chemical Holdings Co., Ltd.	Holding company with beverages as main business
3	Earth Chemical Co., Ltd.	Insecticide/toiletry product business
4	Earth Environmental Service Co., Ltd.	General environmental health management
5	CG Roxane LLC	Manufacture and sales of beverages
6	Dong-A Otsuka Co., Ltd.	Manufacture and sales of beverages and foods
7	China Otsuka Pharmaceutical Co., Ltd.	Manufacture and sales of pharmaceutical products
8	MicroPort Medical (Shanghai) Co., Ltd.	Manufacture, sales and exports of medical equipment
9	MicroPort Scientific Corporation	Holding company
10	VV Food & Beverage Co., Ltd.	Manufacture and sales of nutritional products
11	King Car Otsuka Co., Ltd.	Manufacture and sales of beverages and foods
12	Thai Otsuka Pharmaceutical Co., Ltd.	Manufacture and sales of pharmaceutical products

III. Overview of year ended March 2008

Consolidated:		(JPY billion)	
	2008	2007	Year-on-year change
Sales	928.4	853.9	8.7%
Domestic*	570.8	546.3	4.4%
International**	357.5	307.5	16.2%
Ordinary income	124.1	113.9	8.9%
Net income	61.8	52.8	17.0%

* Sales by Otsuka Pharmaceutical Co., Ltd. and its subsidiaries in Japan

** Sales by overseas subsidiaries of Otsuka Pharmaceutical Co., Ltd.

Parent company:		(JPY billion)	
	2008	2007	Year-on-year change
Sales	413.3	380.8	8.5%
Ordinary income	65.2	48.9	33.3%
Net income	40.1	18.9	111.6%

Otsuka Pharmaceutical Co., Ltd. develops pharmaceuticals and consumer products in keeping with the corporate philosophy of ‘Otsuka – people creating new products for better health worldwide’ based on original concepts and technological development addressing unmet needs associated with medical care and general health. As an enterprise closely involved with human life, Otsuka Pharmaceutical cultivates ethical values and a pro-active approach to health. Conveying the essential value of our products, we contribute to a healthy and prosperous life for people all over the world.

In June of 2007, we introduced a corporate symbol aimed at strengthening communication with people around the world in keeping with our increasingly globalized business base. We are fully aware of our ethical and social responsibilities as a company concerned with human life and health, and as such we promote initiatives to deal voluntarily and proactively with environmental issues. One such initiative was the November 2007 publication of our most recent "Environmental and Social Report".

The Otsuka Pharmaceutical Group is currently comprised of Otsuka Pharmaceutical Co, Ltd., 75 subsidiaries, and 28 affiliates, a total of 104 companies. These companies are involved mainly in pharmaceuticals and consumer products both in Japan and overseas. Forty-four of these companies are consolidated subsidiaries, with another 12 companies accounted for under the equity method, making a total of 56 consolidated companies.

Prompt decision-making and the solid execution of measures and policies enable us to maximize the special expertise of each Otsuka Group company for expansion of global operations and highly creative product development and marketing as we endeavor to accelerate our business activities.

For the current period, sales were ¥928.4 billion, a year-on-year increase of 8.7%, with ordinary income of ¥124.1 billion, reflecting an increase of 8.9%.

Sales by Otsuka Pharmaceutical Co., Ltd. and subsidiaries in Japan stood at ¥ 570.8 billion, while sales by overseas subsidiaries were ¥ 357.5 billion. Japanese sales and overseas sales accounted for 61.5% and 38.5% of all sales respectively.

IV. Financial results by segment

- **Pharmaceutical products and related business**

	(JPY billion)		
	2008	2007	Year-on-year change
Sales	640.2	576.1	11.1%

Sales grew to ¥640.2 billion, a year-on-year rise of 11.1%.

Health service reforms such as the promotion of the use of generic drugs and the growing use of the DPC-based bundle payment system (DPC: Diagnosis Procedure Combination) at hospitals and clinics are moving forward. It is clear that with the globalization of the pharmaceuticals market, our international strategy will be a significant determinant of future results, as penetration of the Japanese market by US and European players and ongoing consolidation among Japanese drug companies are intensifying competition. We utilize our global network for both research and development and commercialization, with research aimed at satisfying unmet medical needs. We are rapidly developing innovative pharmaceuticals for the world's major markets and striving to strengthen our global business network to be able to provide high-quality information about our products.

In Japan, we have provided more comprehensive information on our anti-platelet agent *Pletal*. The launch of *Pletal powder 20%* in July 2007, which can be taken without water, contributed to increased sales. Sales of our anti-gastritis and anti-gastric ulcer agent *Mucosta* continued to grow as a result of more proactive with initiatives in our sales organization. Our anti-psychotic agent *ABILIFY* is now available in the new dosage form *ABILIFY Tablets 12mg*, and is performing favorably on the back of the provision of high-quality product information and information on appropriate use of the product. In the ophthalmology segment, *Mikelan LA Ophthalmic Solution 1%* and *2%*, long-term treatments for glaucoma and ocular hypertension, were released in July 2007.

Sales of clinical nutritionals are expanding, aided by the July 2007 launch of large sized bags of *Neoparen No.1* and *No. 2*, high-calorie infusions containing glucose, electrolyte, amino acids and vitamins. *BFLUID*, Vitamin B₁, glucose, electrolytes and amino acids intravenous infusion kit, and *Racol*, liquid enteral nutrition product, continued to perform well.

A strategic partnership agreement was signed between Otsuka Pharmaceutical and Eiken Chemical Co., Ltd. in September 2006 aimed at expanding our diagnosis business platform. Through this partnership, we are co-promoting two products in Japan: *Uropaper III Eiken* and *RAPIRUN H.pylori antibody*, an H.pylori antibody detection kit.

Taiho Pharmaceutical Co., Ltd. continues to strengthen its promotion efforts in Japan of *TS-1 Capsules*, its main product, and is cooperating with Sanofi-Aventis to market *TS-1* globally in the future. In addition, sales of the antibiotic injection *Tazosin*, containing the active ingredient *tazobactam* licensed to Wyeth Pharmaceuticals, continue to grow globally.

In the US, our anti-psychotic *ABILIFY*, co-promoted with Bristol-Myers Squibb Company, was approved for additional indications for the treatment of schizophrenia and bipolar disorder in adolescents and as an adjunctive treatment for major depressive disorder. These new indications, combined with our efforts to provide additional information to doctors, made a significant contribution to our operating result. In December, Otsuka acquired the business rights to *I.V. Busulfex*, used as a conditioning regimen prior to hematopoietic stem cell transplantation. In the US, Otsuka America Pharmaceutical, Inc. has started preparations to development and market this product.

European sale of *ABILIFY* has further increased due to the contribution of Otsuka-affiliated companies. Our anti-platelet agent *Pletal* was approved in four additional European countries in 2007, and launch preparations are underway.

In Asia, in addition to our clinical nutritionals, sales of pharmaceuticals such as *Pletal* and our anti-gastritis and anti-gastric ulcer agent *Mucosta* are steadily rising.

Otsuka Pharmaceutical Development & Commercialization, Inc. was established in the US in January of 2007 as a strategic platform for the development and sale of pharmaceuticals. As well as its main networks in Japan, the US and Europe, Otsuka Pharmaceutical Co., Ltd. also maintains networks in South Korea and China. The aim is to build networks that will achieve the maximum potential for our products, from the initial stages of candidate compounds through to strategic development, marketing and life cycle management.

- **Consumer products and related businesses**

(JPY billion)

	2008	2007	Year-on-year change
Sales	258.6	249.1	3.8%

In 2007/08, sales grew ¥258.6 billion, a year-on-year increase of 3.8%.

The beverages market in Japan grew overall due to an aggressive rollout of new products by various manufacturers and favourable weather conditions. In addition, as the government presses ahead with measures to contain medical costs, it is evident that people are becoming more health conscious.

In this environment, the Otsuka Pharmaceutical Group worked to strengthen its brands through consumer education and through the introduction of new items. We aim to apply our strengths to the globalization of our nutraceuticals business as we push to roll out our brands globally, focusing on Japan, the US and China.

In April 2007, Otsuka Pharmaceutical Co., Ltd., Otsuka Foods Co., Ltd. and Nippon Access, Inc. established Otsuka Chilled Foods Co., Ltd. to improve the efficiency of our chilled foods business. Sales of chilled foods were transferred to the new company in June.

The *SOYJOY* fruit soy bar product range in Japan was expanded with the addition of two new items: *SOYJOY Prune Fe Plus*, launched in October 2007, and *SOYJOY Strawberry*, launched in April 2008. The *SOYJOY* brand has been successfully established by promoting the health benefits of whole soybeans.

Otsuka Pharmaceutical has become the first Japanese beverage manufacturer to use a positive pressure aseptic filling method for its ion supply drink *Pocari Sweat*, developing the new ECOBOTTLE which is 30% lighter than its predecessor. The 500ml eco-friendly PET bottle of *Pocari Sweat* went on sale in June 2007, and in fiscal 2007 the container won an award from the Minister of the Environment for excellence in promoting the ethos of the "3Rs" (reduce, reuse and recycle). Consumers are also becoming more environmentally aware, which is helping to strengthen the brand.

Further promotion of *Oronamin-C Drink* sales and the nutritionally balanced nutrient food *CalorieMate* have resulted in stronger sales. Otsuka worked to further establish the *Amino-Value* brand by promoting the value of BCAA (branched-chain amino acids) through involvement in a range of sporting events including sponsorship of the *Tokyo Marathon*.

We added *InnerSignal Rejuvenate Extract Dual* and *InnerSignal Rejuvenate Lotion* to the *InnerSignal* brand, which promotes beautiful, healthy skin through the medicated effective ingredient "Energy Signal AMP."

Otsuka Beverage Co., Ltd. steadily expanded its mineral water business, supported by sound sales of *Crystal Geysler*. Tea drinks, fruit juices and carbonated drinks also performed well.

Overseas, we followed up on the introduction of *SOYJOY* fruit soy bar in Japan, China and the US with the launch of *SOYJOY* in Taiwan in April 2007, followed by South Korea in May and Indonesia in September. We expect that the increased geographic spread of our marketing activities will contribute significantly to strengthen the brand as part of our international product strategy.

Pocari Sweat has again achieved record sales in Indonesia with three hundred million units sold for the year. Expansion of business by Group companies throughout Asia continues to be sound, while the *Nature Made* brand is performing well in the US.

- **Research and development overview**

We continue to utilize our global research and development resources to satisfy unmet medical needs worldwide, and we continue to conduct effective research and development of ethical drugs with a focus on the central nervous system, the cardiovascular system, cancer and related fields.

Pharmaceuticals being developed in Japan

Product/non-proprietary name or lab code	Indication, dosage form	Development Phase
Tolvaptan	Cardiac edema (oral tablets)	Phase III
	Polycystic kidney disease (oral tablets)	Phase III
	Hepatic edema (oral tablets)	Phase II
Rotigotine	Parkinson's disease (transdermal patch)	Phase II
Tetomilast	Crohn's disease (oral tablets)	Phase II
Rebamipide Ophthalmic Suspension * ¹	Dry eye (eye drops)	Phase II
OIF	Progressive liver cancer (Intramuscular injection) * ²	Phase II
Rebamipide Enema Preparation * ³	Ulcerative colitis (enema preparation)	Phase II
OPC-246 (Calcitonin ODPI)	Pain care associated with osteoporosis (Inhaler)	Phase II
Rapirun pneumococcus	Diagnostic aid of pneumococcal infection	Application filed
Aripiprazole	Bipolar Disorder* ⁴	Phase III

*1: New route of administration, new indication

*2: New indication

*3: New route of administration, new indication

*4: New indication

Pharmaceuticals being developed in North America

Product/non-proprietary name or lab code	Indication, dosage form	Development Phase
Tolvaptan	Congestive heart failure (oral tablets)	Application Filed
	Hyponatremia (oral tablets)	Application Filed
	Polycystic kidney disease (oral tablets)	Phase III
Tetomilast	Chronic obstructive pulmonary disease (COPD) (oral tablets)	Phase II
Rebamipide Ophthalmic Suspension	Dry eye (eye drops)	Phase III
Sativex	Cancer pain (oral spray)	Phase II
Aripiprazole	Schizophrenia in pediatric patients (Aged 13-17)	Approved
	Bipolar I disorder in pediatric patients (Aged 10-17)	Approved
	Add-on treatment of major depressive disorder	Approved
	Bipolar I disorder (adjunctive treatment with lithium and valproate)	Approved
	Autism	Phase III

Pharmaceuticals being developed in Europe

Product/non-proprietary name or lab code	Indication, dosage form	Development Phase
Tolvaptan	Congestive heart failure (oral tablets)	Application filed
	Hyponatremia (oral tablets)	Application filed
	Polycystic kidney disease (oral tablets)	Phase III
Aripiprazole	Bipolar I disorder (oral tablets)	Approved
	Bipolar I disorder (intramuscular injection)	Application Filed
	Schizophrenia in pediatric patients	Pre-application

Pharmaceuticals being developed in other areas

Product/non-proprietary name or lab code	Indication, dosage form	Development Phase
Cilostazole	Prevention of Stroke recurrence (China, oral tablets)	Approved
OPC-67683	Tuberculosis (Global, oral tablets)	Phase II
Tetomilast	Chronic obstructive pulmonary disease (COPD) (China, Korea, oral tablets)	Phase II

V. Results forecast for 2009 (Parent company)

(JPY billion)

	2009 (forecast)	2008	Year-on-year change
Sales	440.0	413.3	6.5%
Ordinary income	48.0	65.2	(26.4%)

Average drug price reductions of 5.2%, the further promotion of the use of generic drugs and the expansion of the DPC-based bundle payment system, as well as intensifying competition are expected to impact results in 2009. We also expect global research and development costs to increase.

In the coming year, in order to expand sales of our core products, we will extend our efforts to allocated trains and improving the expertise of our Medical Representatives (MRs) to continue to provide high-quality pharmaceutical information using IT solutions as appropriate.

We will work to expand sales of anti-platelet agent *Pletal* and anti-gastritis and anti-gastric ulcer agent *Mucosta* through actively providing product information to doctors. We will continue to improve market penetration of our atypical anti-psychotic ABILIFY, launched in Japan in 2006, through the provision of high-quality information on the appropriate use of the product.

We forecast sales of ¥281.0 billion in our pharmaceutical products business for the coming year, a year-on-year increase of 5.3%.

In the consumer products business we expect competition to intensify and the surge in raw material prices to continue. Given this challenging business environment, Otsuka Pharmaceutical's consumer products business will strive to strengthen its main brands.

In April 2008, *SOYJOY Strawberry* was added to the *SOYJOY* fruit soy bar product lineup. We are working to establish the *SOYJOY* brand in collaboration with Otsuka Group companies around the world by promoting the health benefits of soybeans. Promotion of the ion supply drink *Pocari Sweat* will be focused on the 500ml eco-friendly PET bottle version in an endeavor to strengthen the brand, and we will continue our aggressive promotion campaigns for main products such as *Oronamin-C Drink*, our balanced nutrient food *CalorieMate* and the *Amino-Value* BCAA beverage line.

Consumer business sales are expected to reach ¥159.0 billion for the year ending March 2009, a year-on-year increase of 8.6%.

We expect sales for the fiscal year ended March 2009 to be ¥440.0 billion, a year-on-year increase of 6.5%, while ordinary income is expected to fall to ¥65.2 billion, a year-on-year decrease of 26.4% as a result of increased research and development costs.

Consolidated balance sheet

	2007 (Year ended March 31, 2007)		2008 (Year ended March 31, 2008)		
	Millions of yen	%	Millions of yen	%	
ASSETS					
I Current assets					
1 Cash and cash equivalents		207,533		224,243	
2 Trade notes and trade accounts receivable		206,816		195,177	
3 Marketable securities		—		10,600	
4 Inventories		86,299		90,161	
5 Deferred tax assets		19,585		21,856	
6 Other		30,501		23,607	
Allowance for doubtful receivables		(380)		(308)	
Total current assets		550,355	56.0	565,339	54.7
II Fixed assets					
(1) Property, plant and equipment					
1 Buildings and structures	218,058		223,515		
Accumulated depreciation	138,964	79,093	144,206	79,308	
2 Machinery and equipment, motor vehicles and transport equipment	199,278		199,408		
Accumulated depreciation	154,919	44,359	157,958	41,450	
3 Tools, furniture and fixtures	53,107		54,809		
Accumulated depreciation	42,952	10,155	43,771	11,038	
4 Land		61,398		62,142	
5 Construction in progress		6,579		6,413	
6 Other		10,481		10,904	
Total property, plant and equipment		212,067	21.6	211,258	20.4
(2) Intangible fixed assets					
1 Goodwill		8,346		19,096	
2 Other		11,787		21,911	
Total intangible fixed assets		20,133	2.1	41,008	4.0
(3) Investments and other assets					
1 Investment securities		150,817		163,921	
2 Investments		17,721		19,495	
3 Long-term loans		623		434	
4 Deferred tax assets		11,803		12,817	
5 Other		19,983		21,347	
Investment loss reserve		(1,274)		(1,570)	
Allowance for doubtful receivables		(152)		(113)	
Total investments and other assets		199,523	20.3	216,332	20.9
Total fixed assets		431,724	44.0	468,599	45.3
III Deferred assets		33	0.0	37	0.0
Total assets		982,113	100.0	1,033,976	100.0

	2007 (Year ended March 31, 2007)		2008 (Year ended March 31, 2008)	
	Millions of yen	%	Millions of yen	%
LIABILITIES				
I Current liabilities				
1 Trade notes and trade accounts payable	81,188		81,419	
2 Short-term borrowings	26,592		14,486	
3 Income taxes payable	31,772		28,740	
4 Bonus payment reserve	12,496		13,142	
5 Reserve for bonuses for directors and corporate auditors	221		184	
6 Reserve for loss on returned goods	161		159	
7 Other	67,246		78,959	
Total current liabilities	219,678	22.4	217,090	21.0
II Fixed liabilities				
1 Long-term debt	8,107		7,282	
2 Deferred tax liabilities	4,857		4,039	
3 Allowance for retirement benefits	36,454		30,557	
4 Allowance for retirement benefits for directors and corporate auditors	3,040		3,474	
5 Negative goodwill	38,789		36,325	
6 Other	3,405		3,424	
Total fixed liabilities	94,653	9.6	85,103	8.2
Total liabilities	314,332	32.0	302,194	29.2
NET ASSETS				
I Shareholders' funds				
1 Shareholders' equity	6,791	0.7	6,791	0.7
2 Capital surplus	69,793	7.1	69,793	6.7
3 Retained earnings	367,955	37.5	427,787	41.4
4 Treasury stock	(5,155)	(0.5)	(5,166)	(0.5)
Total shareholders' funds	439,385	44.8	499,206	48.3
II Valuation and translation adjustments etc.				
1 Unrealized gains or losses on other securities	11,498	1.2	5,992	0.6
2 Gain on deferred hedge transactions	—	—	18	0.0
3 Foreign currency translation adjustments	(592)	(0.1)	(2,586)	(0.3)
Total valuation and translation adjustments	10,906	1.1	3,424	0.3
III Minority interests				
	217,489	22.1	229,151	22.2
Total net assets	667,781	68.0	731,782	70.8
Total liabilities and net assets	982,113	100.0	1,033,976	100.0

Consolidated statement of income

	2007 (April 1, 2006 to March 31, 2007)			2008 (April 1, 2007 to March 31, 2008)		
	Millions of yen		%	Millions of yen		%
I Sales		853,948	100.0		928,480	100.0
II Cost of sales		311,845	36.5		331,280	35.7
Gross profit		542,103	63.5		597,199	64.3
III Selling, general and administrative expenses						
1 Sales promotion costs	127,633			150,124		
2 Salaries and bonuses	65,033			65,765		
3 Provision for accrued bonuses	7,354			8,044		
4 Retirement benefit costs	5,063			3,914		
5 Provision for severance and retirement benefits for directors and corporate auditors	515			553		
6 Provision for reserve for bonuses for directors and corporate auditors	489			275		
7 Depreciation and amortization	7,275			7,785		
8 Research and development costs	105,255			101,804		
9 Other	131,992	450,613	52.8	140,677	478,945	51.6
Operating income		91,490	10.7		118,254	12.7
IV Other income						
1 Interest income	2,172			2,641		
2 Dividend income	638			1,311		
3 Amortization of negative goodwill	2,468			2,468		
4 Equity method investment gain	5,565			7,758		
5 Out-licensing revenue	7,450			—		
6 Reimbursement of litigation expenses	1,588			—		
7 Foreign exchange gains	2,800			—		
8 Other	2,357	25,043	2.9	1,847	16,028	1.7
V Other expenses						
1 Interest expenses	1,344			1,143		
2 Foreign exchange loss	—			7,274		
3 Other	1,205	2,550	0.3	1,740	10,157	1.1
Ordinary income		113,983	13.3		124,125	13.3

	2007 (April 1, 2006 to March 31, 2007)		2008 (April 1, 2006 to March 31, 2008)	
	Millions of yen	%	Millions of yen	%
VI Extraordinary profits				
1 Reversal of allowance for doubtful receivables	62		99	
2 Gain on sales of property and equipment	51		108	
3 Gain on sales of investment securities	2		23	
4 Gain on change in equity	4		—	
5 Real estate vacation fee	81		—	
6 Real estate subsidies	43		—	
7 Income from grants	—		690	
8 Gain on disposal of inventories	34		—	
9 Other	40	320	6	927
		0.0		0.1
VII Extraordinary losses				
1 Loss on sales of property and equipment	153		243	
2 Loss on retirement of fixed assets	423		1,333	
3 Valuation loss on investment securities	58		1,383	
4 Loss on impairment of property and equipment	68		503	
5 Provision for severance and retirement benefits for directors and corporate auditors	3		—	
6 Loss on change in equity percentage held	110		—	
7 Allowance for investment loss	306		296	
8 Compensation for third party damages	445		—	
9 Other	434	2,004	1,253	5,013
		0.2		0.5
Net income before taxes and other adjustments		112,299		120,039
Corporate tax, residents' tax and enterprise tax	43,112		43,868	
Deferred income taxes	(1,831)	41,281	495	44,364
		4.8		4.7
Minority interests		18,143		13,808
		2.1		1.5
Net income		52,874		61,865
		6.2		6.7

Consolidated statement of cash flows

	2007 (April 1, 2006 to March 31, 2007)	2008 (April 1, 2007 to March 31, 2008)
	Millions of yen	Millions of yen
I Operating activities		
1 Income before income taxes and others	112,299	120,039
2 Depreciation and amortization	26,371	31,120
3 Loss on impairment of property and equipment	68	503
4 Amortization of (negative) goodwill	(1,667)	(1,916)
5 Increase (decrease) in employees' retirement benefits	(2,397)	(5,818)
6 Increase (decrease) in allowance for doubtful receivables	(66)	(103)
7 Interest income and dividends received	(2,811)	(3,953)
8 Interest expenses	1,344	1,143
9 Equity in earnings of unconsolidated subsidiaries and affiliates	(5,565)	(7,758)
10 Gain (loss) on sale of property, plant and equipment	102	135
11 Increase (decrease) in trade accounts receivable	(32,484)	10,234
12 Increase (decrease) in inventories	(3,759)	(5,395)
13 Increase (decrease) in trade accounts payable	12,221	1,922
14 Other	3,246	16,641
Subtotal	106,901	156,794
15 Interest and dividends received	5,304	8,241
16 Interest paid	(1,344)	(1,363)
17 Income and other taxes paid	(28,644)	(46,424)
Net cash provided by operating activities	82,217	117,248
II Net cash used in investing activities		
1 Purchases of property, plant and equipment	(32,188)	(27,732)
2 Proceeds from sales of property, plant and equipment	242	371
3 Purchases of investment securities	(28,876)	(33,417)
4 Proceeds from sales and redemption of investment securities	145	9,678
5 Increase in investments	(784)	(365)
6 Payment for business acquisitions		(20,937)
7 Advances	(510)	(67)
8 Proceeds from repayment of loans	1,836	242
9 Increase in time deposits	(11,334)	(8,240)
10 Decrease in time deposits	7,008	9,686
11 Other	(3,173)	(4,700)
Net cash used in investing activities	(67,633)	(75,483)

	2007 (April 1, 2006 to March 31, 2007)	2008 (April 1, 2007 to March 31, 2008)
	Millions of yen	Millions of yen
III Net cash provided by (used in) financing activities		
1 Proceeds from short-term borrowings	13,093	—
2 Repayments of short-term borrowings	(16,015)	—
3 Decrease of short term borrowings	—	(11,080)
4 Proceeds from long-term debt	4,167	2,213
5 Repayments of long-term debt	(3,580)	(4,322)
6 Dividends paid	(1,016)	(2,033)
7 Dividends paid to minority shareholders	(1,198)	(1,193)
8 Proceeds from payments received from minority shareholders	1,000	151
9 Other	321	54
Net cash provided by (used in) financing activities	(3,229)	(16,209)
IV Foreign currency translation adjustments on cash and cash equivalents	1,645	(4,387)
V Net increase (decrease) in cash and cash equivalents	12,999	21,169
VI Cash and cash equivalents, beginning of year	188,101	201,476
VII Cash and cash equivalents of newly consolidated subsidiaries	375	3
VIII Cash and cash equivalents, end of year	201,476	222,647