

May 23, 2008

**Press Release**
**Fiscal Year through March 2008 – Parent Company Results**

I. Consolidated results: Please refer to separate announcement of consolidated results.

II. Individual results for the year ended March 2008 (April 1, 2007 to March 31, 2008)

## 1) Operating results (JPY million)

	2008	2007	Year-on-year change
Net sales	413,315	380,817	8.5%
Operating income	65,586	40,379	62.4%
Ordinary income	65,297	48,978	33.3%
Net income	40,118	18,956	111.6%
Net income per share	2,959.88	1,398.61	111.6%

Net income per share: JPY

## 2) Financial position (JPY million)

	2008	2007	Year-on-year change
Total assets	516,379	470,504	9.8%
Net assets	374,965	341,094	9.9%
Equity capital ratio	72.6%	72.5%	-
Net assets per share	27,664.40	25,165.41	9.9%

Net assets per share: JPY

## 3) Expenditures (JPY million)

	2008	2007	Year-on-year change
Research and development expenditure	60,260	62,486	(3.6%)
Capital expenditure	31,189	11,991	160.1%

Capital expenditure for this fiscal year period includes payment for the acquisition of PDL Bio Pharma's I.V. Busulfex business.

### III. 2008 overview

#### 1) Sales by segment

(JPY million)

	2008	2007	Year-on-year change	% of total sales
Pharmaceutical Business	266,909	240,118	11.2%	64.6%
Consumer Products Business	146,407	140,700	4.1%	35.4%

#### 2) Sales of major pharmaceutical products

(JPY million)

	2008	2007	Year-on-year change
Mucosta	35,333	33,915	4.2%
Pletal	40,254	35,958	11.9%
ABILIFY	8,686	3,722	133.4%
Meptin	6,603	6,883	(4.1%)
Enteral nutrition products*	12,625	11,626	8.6%

\*Racol and Twin Line

## Balance sheet

	2007 (Year ended March 31, 2007)		2008 (Year ended March 31, 2008)		
	Millions of yen	%	Millions of yen	%	
<b>ASSETS</b>					
<b>I Current assets</b>					
1 Cash and cash equivalents		13,465		26,936	
2 Trade notes receivable		8,425		6,105	
3 Trade accounts receivable		116,349		103,312	
4 Products		1,838		1,997	
5 Manufactured goods		7,085		8,900	
6 Raw materials		7,889		9,081	
7 Unfinished goods		8,267		8,126	
8 Inventories		1,429		1,797	
9 Prepaid expenses		4,202		7,160	
10 Deferred tax assets		4,496		6,597	
11 Short-term loans to affiliated companies		4,135		840	
12 Other accounts receivable		2,189		7,996	
13 Other		970		1,049	
Allowance for doubtful receivables		(34)		(12)	
Total current assets		180,711	38.4	189,890	36.8
<b>II. Property, plant and equipment</b>					
<b>1 Tangible fixed assets</b>					
(1) Buildings	75,105		76,193		
Accumulated depreciation	50,712	24,392	51,900	24,293	
(2) Structures	8,903		9,031		
Accumulated depreciation	6,842	2,060	7,080	1,950	
(3) Machinery and equipment	56,477		56,600		
Accumulated depreciation	46,048	10,429	47,235	9,365	
(4) Motor vehicles and transport equipment	350		330		
Accumulated depreciation	307	43	278	52	
(5) Tools, furniture and fixtures	22,238		21,028		
Accumulated depreciation	18,884	3,354	17,408	3,620	
(6) Land		21,164		21,164	
(7) Construction in progress		486		1,649	
(8) Other		3,495		3,631	
Total tangible fixed assets		65,427	13.9	65,728	12.7

	2007 (Year ended March 31, 2007)		2008 (Year ended March 31, 2008)	
	Millions of yen	%	Millions of yen	%
<b>2 Intangible fixed assets</b>				
(1) Goodwill	962		11,274	
(2) Patents	11		9,324	
(3) Trademarks	40		633	
(4) Leases	125		125	
(5) Telephone rights	145		145	
(6) Software	3,316		3,160	
(7) Other	88		83	
Total intangible fixed assets	4,691	1.0	24,749	4.8
<b>3 Investments and other assets</b>				
(1) Investment securities	38,419		38,814	
(2) Shares in affiliated companies	167,078		182,058	
(3) Participation in affiliated companies	14,334		15,330	
(4) Long-term loans	214		158	
(5) Long-term loans to affiliated companies	840		—	
(6) Long-term prepaid expenses	3,165		1,911	
(7) Deferred tax assets	5,297		7,033	
(8) Deposits	3,623		3,607	
(9) Other	556		683	
Investment loss reserve	(13,695)		(13,461)	
Allowance for doubtful receivables	(159)		(126)	
Total investments and other assets	219,673	46.7	236,011	45.7
Total fixed assets	289,793	61.6	326,489	63.2
Total assets	470,504	100.0	516,379	100.0
<b>LIABILITIES</b>				
<b>I Current liabilities</b>				
1 Trade notes payable	1,870		3,191	
2 Trade accounts payable	46,101		47,771	
3 Long-term loans due within one year	1,271		1,052	
4 Accrued liabilities	12,877		18,634	
5 Accrued amounts payable	17,825		15,697	
6 Income tax payable	13,333		17,017	
7 Accrued consumption tax	682		528	
8 Advance payments received	471		5,370	
9 Deposits received	5,355		5,607	
10 Reserve for bonus payments	5,710		5,700	
11 Reserve for bonuses for directors and corporate auditors	36		54	
12 Reserve for loss on returned goods	50		58	
Total current liabilities	105,585	22.4	120,683	23.4

	2007 (Year ended March 31, 2007)		2008 (Year ended March 31, 2008)	
	Millions of yen	%	Millions of yen	%
II. Fixed liabilities				
1 Long-term debt		1,233		158
2 Allowance for retirement benefits		22,055		17,159
3 Allowance for retirement benefits for directors and corporate auditors		536		569
4 Reserves for loan guarantees		—		2,843
Total fixed liabilities		23,824		20,730
Total liabilities		129,410	27.5	141,414
NET ASSETS				
I Shareholders' funds				
1 Shareholders' equity		6,791	1.4	6,791
2 Capital surplus				
(1) Capital reserve	34,100		34,100	
Total capital surplus		34,100	7.3	34,100
3 Retained earnings				
(1) Revenue reserve	1,500		1,500	
(2) Other retained earnings				
Special depreciation reserve	32		19	
Reserve for deferred gains on fixed assets	200		198	
Contingent reserve	270,300		287,300	
Retained earnings carried forward	19,043		40,144	
Total retained earnings		291,077	61.9	329,162
4 Treasury stock		(383)	(0.1)	(383)
Total shareholders' funds		331,585	70.5	369,671
II Valuation and translation adjustments				
1 Unrealized gains or losses on other securities		9,508	2.0	5,294
Total valuation and translation adjustments		9,508	2.0	5,294
Total net assets		341,094	72.5	374,965
Total liabilities and net assets		470,504	100.0	516,379

## 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						
Net sales		380,817	100.0	413,315	100.0	
II Cost of sales						
1 Inventories brought forward	11,447		8,923			
2 Cost of purchased goods	100,401		105,845			
3 Cost of manufactured goods	59,827		65,398			
4 Transfers to other accounts	3,807		2,511			
Total	167,869		177,656			
5 Inventories carried forward	8,923	158,945	41.7	10,897	166,759	40.3
Gross profit		221,872		246,556		
Reversal of allowance for returned goods		35		50		
Provision for goods returned		50		58		
Resulting gross profit (loss)		221,857	58.3	246,548	59.7	
III Selling, general and administrative expenses						
1 Freight and logistics	7,816		7,745			
2 Advertising	13,051		12,892			
3 Sales promotion	23,415		23,910			
4 Salaries and bonuses	24,449		24,268			
5 Provisions for accrued bonuses	3,673		3,723			
6 Retirement benefit costs	1,446		103			
7 Provisions for bonuses for directors and corporate auditors	36		54			
8 Provisions for severance and retirement benefits for directors and corporate auditors	119		159			
9 Depreciation and amortization	2,904		3,309			
10 Research and development costs	62,486		60,260			
11 Other	42,079	181,478	47.7	44,536	180,962	43.8
Operating income		40,379	10.6	65,586	15.9	

	2007 (April 1, 2006 to March 31, 2007)		2008 (April 1, 2007 to March 31, 2008)	
	Millions of yen	%	Millions of yen	%
IV Other income				
1 Interest income	969		976	
2 Dividend income	3,325		4,812	
3 Rental income	725		748	
4 Foreign exchange gains	1,192		—	
5 Reimbursement of litigation expenses	1,588		—	
6 Other revenues	1,864	9,666	1,321	7,860
V Non-operating expenses				
1 Interest expense	266		243	
2 Commission paid	99		100	
3 Loss on disposal of raw materials	135		—	
4 Foreign exchange loss	—		6,536	
5 Miscellaneous losses	566	1,067	1,268	8,148
Ordinary income		48,978		65,297
VI Extraordinary income				
1 Reversal of allowance for doubtful receivables	13		55	
2 Gain on sales of investment securities	2		10	
3 Transfer pricing adjustments	—		5,947	
4 Other	0	16	—	6,013
VII Extraordinary losses				
1 Loss on sales of property and equipment	98		29	
2 Loss on retirement of fixed assets	192		666	
3 Allowance for investment loss	12,727		390	
4 Valuation loss on investment securities	—		1,288	
5 Valuation loss on equity holdings in affiliates	—		73	
6 Reserve for loan guarantees	—		132	
7 Other	—	13,018	5	5,430
Net income before taxes		35,975		65,881
Corporate taxes, residents taxes and enterprise taxes	18,089		26,348	
Deferred income taxes	(1,070)	17,018	(585)	25,762
Net income		18,956		40,118