

# FY2/08

## Q3 results supplementary material

These materials contain our earnings outlook. While our earnings outlook and views are based on internal and other reliable data, they do not constitute a guarantee of our future earnings. Therefore, sales and profits may differ from the figures outlined in this material.

Dec 27th, 2007

Hisamitsu Pharmaceutical Co., Inc.  
(Security code number: 4530)

## Consolidated financial statement

Dec 27th, 2007

<b>&lt;Balance sheet&gt;</b> (Unit: ¥mn)	2005.2	2006.2	2006.5	2006.8	2006.11	2007.2	2007.5	2007.8	2007.11	As a % of total
	Q4	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
<b>Current assets</b>	<b>61,084</b>	<b>74,560</b>	<b>72,303</b>	<b>79,435</b>	<b>75,764</b>	<b>72,466</b>	<b>72,535</b>	<b>78,491</b>	<b>80,836</b>	<b>53.4%</b>
Cash & deposits	31,105	36,579	26,425	28,343	22,343	29,817	26,207	27,907	28,618	
Notes and accounts receivable	19,904	23,820	27,556	32,102	32,209	28,386	32,267	35,170	35,652	
Marketable securities	1,174	849	3,921	3,147	3,978	3,111	2,710	2,516	2,017	
Inventory	5,836	8,526	8,615	8,651	8,663	8,931	8,642	8,574	8,496	
Deferred tax assets	783	1,415	1,435	1,422	1,444	1,251	1,229	1,244	1,237	
Other current assets	2,387	3,496	4,498	5,942	7,316	1,123	1,654	3,268	5,010	
Bad debt provision	-108	-128	-148	-174	-192	-156	-176	-190	-195	
<b>Fixed assets</b>	<b>49,979</b>	<b>62,024</b>	<b>60,187</b>	<b>62,324</b>	<b>63,925</b>	<b>68,676</b>	<b>67,766</b>	<b>69,002</b>	<b>70,522</b>	<b>46.6%</b>
Tangible fixed assets	35,168	36,169	36,401	36,519	38,021	38,497	38,285	38,851	40,416	
Buildings and structures	13,278	13,071	12,930	12,914	12,797	13,445	13,185	13,172	17,719	
Machinery and transport equipment	4,913	5,266	4,986	6,055	5,786	5,786	5,424	5,180	6,303	
Tools, instruments, etc.	3,815	3,157	3,064	2,697	2,713	2,486	2,453	1,851	1,891	
Land	11,309	11,346	11,350	11,312	11,315	11,354	11,356	11,364	11,362	
Construction in progress	1,851	3,326	4,068	3,538	5,408	5,424	5,865	7,282	3,139	
Intangible fixed assets	317	8,759	8,204	7,682	7,092	6,403	5,870	6,527	5,999	
Investments, etc.	14,493	17,095	15,581	18,122	18,811	23,775	23,610	23,628	24,106	
Investment securities	9,504	13,767	12,315	15,034	15,397	17,935	18,189	17,021	16,762	
Long-term loans	1,414	800	800	675	675	855	500	375	375	
Deferred tax assets	1,803	796	751	404	486	-	-	989	1,319	
Other	2,088	2,079	2,062	2,320	2,564	5,148	5,083	5,404	5,815	
Bad debt provision	-318	-348	-347	-312	-311	-164	-162	-167	-165	
<b>Total assets</b>	<b>111,063</b>	<b>136,584</b>	<b>132,490</b>	<b>141,759</b>	<b>139,690</b>	<b>141,143</b>	<b>140,302</b>	<b>147,494</b>	<b>151,359</b>	
<b>Current liabilities</b>	<b>22,286</b>	<b>34,177</b>	<b>31,351</b>	<b>35,506</b>	<b>29,757</b>	<b>27,919</b>	<b>24,825</b>	<b>30,515</b>	<b>31,128</b>	<b>20.6%</b>
Notes and accounts payable	7,554	10,129	10,736	10,865	9,147	9,004	9,943	10,627	10,957	
Short-term borrowing	1,629	5,822	5,947	5,996	3,448	3,467	944	836	854	
Accrued expenses	6,694	8,947	8,114	8,644	6,555	9,254	6,737	8,397	7,677	
Unpaid tax, etc.	4,914	6,846	2,311	5,152	3,689	4,530	3,518	5,952	5,564	
Reserve for returned goods unsold	247	220	197	199	207	167	158	161	161	
Bonus reserves	493	617	187	879	215	688	230	849	238	
Other current liabilities	752	1,593	3,857	3,769	6,493	805	3,292	3,690	5,674	
<b>Fixed liabilities</b>	<b>7,209</b>	<b>11,142</b>	<b>8,705</b>	<b>8,901</b>	<b>8,887</b>	<b>9,257</b>	<b>8,534</b>	<b>8,111</b>	<b>8,244</b>	<b>5.4%</b>
Long-term borrowing	1,373	3,549	1,154	1,128	1,120	1,058	1,083	1,055	1,038	
Deferred tax liabilities	1,887	1,887	1,887	2,164	2,164	2,579	2,451	2,164	2,164	
Pension provisions	2,799	4,537	4,487	4,415	4,392	4,384	3,733	3,809	3,931	
Reserve for directors' retirement benefits	1,021	1,078	1,093	1,117	1,142	1,166	1,203	1,027	1,064	
Other fixed liabilities	126	89	82	75	69	69	62	53	46	
<b>Total liabilities</b>	<b>29,496</b>	<b>45,320</b>	<b>40,057</b>	<b>44,408</b>	<b>41,742</b>	<b>37,176</b>	<b>33,360</b>	<b>38,626</b>	<b>39,373</b>	<b>26.0%</b>
<b>Owners' Equity</b>	<b>78,136</b>	<b>85,716</b>	<b>86,913</b>	<b>90,510</b>	<b>94,262</b>	<b>96,486</b>	<b>99,661</b>	<b>103,211</b>	<b>106,959</b>	<b>70.7%</b>
<b>Common stock</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	
Capital reserves	-	-	-	-	-	-	-	-	-	
Capital surplus	8,241	8,289	8,289	8,289	8,289	8,376	8,376	8,376	8,376	
Retained earnings	68,704	81,460	82,658	86,259	90,024	92,137	95,314	98,868	102,618	
Treasury stock	-7,282	-12,506	-12,507	-12,512	-12,524	-12,501	-12,503	-12,507	-12,509	
<b>Net unrealized gain and translation adjustment</b>	<b>2,731</b>	<b>4,802</b>	<b>4,795</b>	<b>6,138</b>	<b>5,610</b>	<b>6,744</b>	<b>6,544</b>	<b>4,884</b>	<b>4,252</b>	<b>2.8%</b>
Other marketable securities revaluation account	1,066	2,858	2,777	3,750	3,599	4,248	4,056	2,220	1,751	
Land revaluation account	2,780	2,780	2,780	3,188	3,188	3,188	3,188	3,188	3,188	
Forex adjustment account	-1,115	-836	-762	-801	-1,177	-692	-700	-523	-687	
Revaluation account	-	-	-	-	-	-	-	-	-	
Consolidated surplus	-	-	-	-	-	-	-	-	-	
<b>Minority interest</b>	<b>698</b>	<b>744</b>	<b>724</b>	<b>703</b>	<b>1,171</b>	<b>735</b>	<b>736</b>	<b>771</b>	<b>774</b>	<b>0.5%</b>
<b>Total Net assets</b>	<b>81,565</b>	<b>91,262</b>	<b>92,432</b>	<b>97,351</b>	<b>101,045</b>	<b>103,966</b>	<b>106,942</b>	<b>108,868</b>	<b>111,986</b>	<b>74.0%</b>
<b>Liabilities and Net assets</b>	<b>111,063</b>	<b>136,584</b>	<b>132,490</b>	<b>141,759</b>	<b>139,690</b>	<b>141,143</b>	<b>140,302</b>	<b>147,494</b>	<b>151,359</b>	

Consolidated financial statement

Dec 27th, 2007

<b>&lt;Income statement&gt;</b> (Unit: ¥mn)	2005.2 Q4	2006.2 Q4	2006.5 Q1	2006.8 Q2	2006.11 Q3	2007.2 Q4	2007.5 Q1	2007.8 Q2	2007.11 Q3	YoY
<b>Sales</b>	<b>83,545</b>	<b>102,665</b>	<b>27,385</b>	<b>56,775</b>	<b>84,427</b>	<b>109,791</b>	<b>29,373</b>	<b>60,383</b>	<b>91,336</b>	<b>+8.2%</b>
CoGS	24,724	29,840	7,950	16,700	24,980	32,903	8,605	17,890	27,119	+8.6%
(as a % of sales)	29.6%	29.1%	29.0%	29.4%	29.6%	30.0%	29.3%	29.6%	29.7%	
<b>Gross profits</b>	<b>58,820</b>	<b>72,824</b>	<b>19,434</b>	<b>40,075</b>	<b>59,446</b>	<b>76,888</b>	<b>20,768</b>	<b>42,492</b>	<b>64,217</b>	<b>+8.0%</b>
(as a % of sales)	70.4%	70.9%	71.0%	70.6%	70.4%	70.0%	70.7%	70.4%	70.3%	
<b>SG&amp;A expenses</b>	<b>37,324</b>	<b>50,054</b>	<b>13,053</b>	<b>26,862</b>	<b>36,834</b>	<b>50,754</b>	<b>12,274</b>	<b>28,365</b>	<b>39,776</b>	<b>+8.0%</b>
(as a % of sales)	44.7%	48.7%	47.7%	47.3%	43.6%	46.2%	41.8%	47.0%	43.5%	
Advertising costs	7,463	8,492	3,517	5,692	7,436	10,347	2,838	5,572	7,562	+1.7%
Sales promotion costs	8,674	10,524	2,487	5,611	7,069	10,466	2,506	5,445	7,957	+12.6%
R&D spending	7,223	11,267	2,247	5,278	7,091	9,295	1,866	6,543	8,442	+19.1%
Other SG&A expenses	13,964	19,771	4,802	10,281	15,238	20,646	5,064	10,805	15,815	+3.8%
<b>Operating profits</b>	<b>21,495</b>	<b>22,770</b>	<b>6,381</b>	<b>13,212</b>	<b>22,612</b>	<b>26,134</b>	<b>8,494</b>	<b>14,127</b>	<b>24,440</b>	<b>+8.1%</b>
(as a % of sales)	25.7%	22.2%	23.3%	23.3%	26.8%	23.8%	28.9%	23.4%	26.8%	+0.0%
<b>Nonoperating income</b>	<b>561</b>	<b>1,568</b>	<b>351</b>	<b>582</b>	<b>684</b>	<b>1,034</b>	<b>367</b>	<b>571</b>	<b>846</b>	
Interest received	47	50	7	24	45	74	27	78	107	
Dividends received	71	83	15	71	74	118	14	87	122	
Equity-method investment profits	98	112	26	16	23	0	22	53	82	
Amortisation of consolidated adjustment accou	23	24	5	11	17	23	5	11	17	
Other	320	1,296	295	457	521	817	296	340	516	
<b>Nonoperating expenses</b>	<b>186</b>	<b>178</b>	<b>33</b>	<b>89</b>	<b>154</b>	<b>167</b>	<b>31</b>	<b>78</b>	<b>177</b>	
Interest paid	34	41	14	21	34	41	9	17	17	
Other	151	137	19	67	120	125	21	60	160	
<b>Recurring profits</b>	<b>21,871</b>	<b>24,159</b>	<b>6,700</b>	<b>13,704</b>	<b>23,142</b>	<b>27,001</b>	<b>8,830</b>	<b>14,620</b>	<b>25,109</b>	<b>+8.5%</b>
(as a % of sales)	26.2%	23.5%	24.5%	24.1%	27.4%	24.6%	30.1%	24.2%	27.5%	
<b>Extraordinary profits</b>	<b>158</b>	<b>1,510</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>42</b>	<b>177</b>	<b>351</b>	<b>527</b>	
Profit on sale of fixed assets	1	0	-	-	-	0	-	-	-	
Public subsidies	56	1	-	-	-	-	-	-	-	
Reversal of allowance for doubtful receivables	99	25	1	0	-	41	1	1	1	
Other	-	1,483	-	-	-	-	175	350	526	
<b>Extraordinary losses</b>	<b>131</b>	<b>1,163</b>	<b>428</b>	<b>638</b>	<b>722</b>	<b>1,125</b>	<b>153</b>	<b>193</b>	<b>212</b>	
Losses on fixed asset disposal	70	380	143	181	216	346	19	31	50	
Losses on fixed asset reduction	-	-	-	92	92	154	-	-	-	
Valuation losses on investment securities	60	-	84	83	83	-	-	22	22	
Transfer to bad debt provisions	-	-	-	-	-	-	-	-	-	
Valuation losses on memberships	-	1	-	-	-	-	-	-	-	
Other	-	781	200	280	414	623	133	138	138	
<b>Net profit before tax, etc.</b>	<b>21,898</b>	<b>24,507</b>	<b>6,272</b>	<b>13,066</b>	<b>22,420</b>	<b>25,917</b>	<b>8,854</b>	<b>14,778</b>	<b>25,425</b>	<b>+13.4%</b>
Taxes	8,816	10,831	2,105	4,907	8,599	9,365	3,490	5,892	10,123	
Tax adjustment	39	-828	97	68	69	693	17	-41	-51	
Minority interest (subtracted)	169	55	27	15	16	11	39	67	81	
<b>Net profits</b>	<b>12,873</b>	<b>14,448</b>	<b>4,097</b>	<b>8,106</b>	<b>13,734</b>	<b>15,847</b>	<b>5,306</b>	<b>8,860</b>	<b>15,271</b>	<b>+11.2%</b>
(as a % of sales)	15.4%	14.1%	15.0%	14.3%	16.3%	14.4%	18.1%	14.7%	16.7%	
Capex	2,256	15,974		2,490		7,211		3,603		
(as a % of sales)	2.7%	15.6%		4.4%		6.6%		6.0%		
Depreciation	3,338	3,114		1,550		3,118		1,495		
(as a % of sales)	4.0%	3.0%		2.7%		2.8%		2.5%		
Goodwill amortization		2,222		1,067		2,117		1,012		
(as a % of sales)		2.2%		1.9%		1.9%		1.7%		
Number of employees	1,541	1,671		1,691		1,628		1,722		

Non-consolidated financial statement

Dec 27th, 2007

<b>&lt;Balance sheet&gt;</b>	2005.2	2006.2	2006.5	2006.8	2006.11	2007.2	2007.5	2007.8	2007.11	As a %
(Unit: ¥mn)	Q4	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	of total
<b>Current assets</b>	<b>57,816</b>	<b>70,690</b>	<b>67,850</b>	<b>75,537</b>	<b>72,480</b>	<b>69,142</b>	<b>68,968</b>	<b>74,387</b>	<b>76,520</b>	<b>53.5%</b>
Cash & deposits	29,327	33,866	23,144	25,380	20,309	27,801	23,910	25,361	25,845	
Notes receivable	2,561	1,559	1,444	2,570	2,657	2,560	107	166	125	
Accounts receivable	17,023	21,942	25,852	29,490	29,467	25,605	31,969	34,736	35,269	
Marketable securities	799	799	3,871	3,097	3,927	2,997	2,597	2,397	1,896	
Inventory	5,014	7,671	7,786	7,783	7,769	8,062	7,818	7,625	7,621	
Deferred tax assets	839	1,392	1,392	1,392	1,392	1,155	1,155	1,155	1,155	
Other current assets	2,350	3,581	4,503	5,991	7,140	1,106	1,578	3,127	4,794	
Bad debt provision	-103	-123	-143	-169	-186	-148	-168	-183	-188	
<b>Fixed assets</b>	<b>46,543</b>	<b>57,491</b>	<b>55,053</b>	<b>57,140</b>	<b>58,610</b>	<b>63,324</b>	<b>63,344</b>	<b>65,000</b>	<b>66,555</b>	<b>46.5%</b>
Tangible fixed assets	29,660	30,618	30,850	31,052	32,626	33,167	32,857	33,376	35,020	
Buildings	9,716	9,070	8,887	8,883	8,794	9,471	9,263	9,098	13,684	
Machinery and equipment	7,470	7,327	7,019	7,770	7,581	7,374	7,025	6,100	7,333	
Land	10,890	10,890	10,890	10,854	10,854	10,891	10,891	10,891	10,891	
Construction in progress	1,582	3,330	4,052	3,543	5,395	5,429	5,676	7,285	3,110	
Intangible fixed assets	257	6,531	6,118	5,736	5,285	4,755	5,839	6,499	5,974	
Investments, etc.	16,625	20,341	18,084	20,351	20,698	25,401	24,647	25,119	25,560	
Investment securities	8,781	12,986	11,487	14,243	14,091	16,585	16,843	15,676	15,404	
Advances to and shares in related companies	3,678	4,377	4,039	4,039	4,559	3,729	3,017	3,011	2,994	
Long-term loans	1,710	1,618	1,612	1,449	1,445	1,311	1,172	1,124	1,065	
Deferred tax assets	2,317	1,902	1,622	1,266	1,374	272	395	1,630	1,943	
Other investments, etc.	1,770	1,812	1,847	1,819	1,766	4,572	4,275	4,631	5,063	
Provision for losses on investments	-1,069	-1,167	-1,337	-1,401	-1,473	-235	-235	-169	-169	
Bad debt provision	-565	-1,188	-1,187	-1,065	-1,064	-835	-823	-783	-740	
<b>Total assets</b>	<b>104,359</b>	<b>128,181</b>	<b>122,904</b>	<b>132,678</b>	<b>131,090</b>	<b>132,466</b>	<b>132,312</b>	<b>139,382</b>	<b>143,075</b>	
<b>Current liabilities</b>	<b>18,668</b>	<b>31,627</b>	<b>28,136</b>	<b>32,442</b>	<b>27,310</b>	<b>25,335</b>	<b>21,713</b>	<b>27,257</b>	<b>27,686</b>	<b>19.4%</b>
Notes payable and Accounts payable	5,719	8,330	8,359	8,628	7,671	6,901	7,566	7,883	8,444	
Long-term debt due within 1 yr	-	5,000	5,000	5,000	2,500	2,500	-	-	-	
Accrued and unpaid expenses	6,959	9,688	9,956	9,312	8,456	10,239	8,550	9,163	8,486	
Unpaid tax, etc.	4,749	6,697	2,236	5,027	3,665	4,433	3,474	5,828	5,436	
Bonus reserves	472	594	166	851	188	663	206	817	209	
Reserve for returned goods unsold	247	220	197	199	207	167	158	161	161	
Provision for losses on debt guarantees	259	159	159	159	159	136	136	190	190	
Other current liabilities	258	936	2,061	3,262	4,460	292	1,620	3,211	4,758	
<b>Fixed liabilities</b>	<b>5,604</b>	<b>8,352</b>	<b>5,872</b>	<b>6,179</b>	<b>6,229</b>	<b>6,271</b>	<b>6,952</b>	<b>6,851</b>	<b>7,010</b>	<b>4.9%</b>
Long-term borrowing	-	2,500	-	-	-	-	-	-	-	
Provision for pension and remuneration obligation	3,703	3,951	3,972	4,001	4,049	4,091	4,773	4,671	4,831	
Deferred tax liabilities related to revaluation	1,887	1,887	1,887	2,164	2,164	2,164	2,164	2,164	2,164	
Other fixed liabilities	13	13	13	13	15	15	15	15	15	
<b>Total liabilities</b>	<b>24,273</b>	<b>39,979</b>	<b>34,009</b>	<b>38,622</b>	<b>33,539</b>	<b>31,607</b>	<b>28,666</b>	<b>34,108</b>	<b>34,697</b>	<b>24.3%</b>
<b>Owners' Equity</b>	<b>76,308</b>	<b>82,700</b>	<b>83,493</b>	<b>87,265</b>	<b>90,915</b>	<b>93,526</b>	<b>96,494</b>	<b>99,939</b>	<b>103,506</b>	<b>72.3%</b>
<b>Common stock</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	<b>8,473</b>	
Capital surplus	8,241	8,241	8,241	8,241	8,241	8,241	8,241	8,241	8,241	
Capital reserves	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118	
Other capital surplus	6,123	6,123	6,123	6,123	6,123	6,123	6,123	6,123	6,123	
Retained earnings	66,291	78,448	79,242	83,018	86,668	89,282	92,253	95,701	99,270	
Voluntary reserve	52,570	62,000	72,000	72,000	72,000	72,000	82,000	82,000	82,000	
Unappropriated profit for the year (net profit)	13,721	16,448	7,242	11,018	14,668	17,282	10,253	13,701	17,270	
Treasury stock	-6,697	-12,462	-12,463	-12,467	-12,469	-12,472	-12,474	-12,477	-12,479	
<b>Net unrealized gain and translation adjustments</b>	<b>3,775</b>	<b>5,499</b>	<b>5,398</b>	<b>6,788</b>	<b>6,635</b>	<b>7,333</b>	<b>7,151</b>	<b>5,323</b>	<b>4,871</b>	<b>3.4%</b>
Marketable securities revaluation account	995	2,719	2,618	3,600	3,447	4,144	3,962	2,145	1,683	
Revaluation account	2,780	2,780	2,780	3,188	3,188	3,188	3,188	3,188	3,188	
<b>Total Net assets</b>	<b>80,086</b>	<b>88,202</b>	<b>88,891</b>	<b>94,056</b>	<b>97,550</b>	<b>100,859</b>	<b>103,646</b>	<b>105,273</b>	<b>108,378</b>	<b>75.7%</b>
<b>Liabilities and Net assets</b>	<b>104,359</b>	<b>128,181</b>	<b>122,904</b>	<b>132,678</b>	<b>131,090</b>	<b>132,446</b>	<b>132,312</b>	<b>139,382</b>	<b>143,075</b>	

Non-consolidated financial statement

Dec 27th, 2007

<b>&lt;Income statement&gt;</b>	2005.2	2006.2	2006.5	2006.8	2006.11	2007.2	2007.5	2007.8	2007.11	YoY
(Unit: ¥mn)	Q4	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
<b>Sales</b>	<b>78,444</b>	<b>97,169</b>	<b>25,855</b>	<b>53,981</b>	<b>80,247</b>	<b>104,037</b>	<b>27,785</b>	<b>57,366</b>	<b>86,752</b>	<b>+8.1%</b>
Prescription drugs	58,165	74,932	19,068	40,183	60,685	79,169	21,060	43,626	67,155	+10.7%
OTC products	18,171	19,432	5,829	12,012	17,096	21,631	5,917	12,096	17,207	+6%
International business	2,107	2,804	956	1,786	2,465	3,236	808	1,643	2,389	3.1%
CoGS	22,039	26,911	7,183	15,322	23,005	30,075	7,860	16,426	24,985	+8.6%
(as a % of sales)	28.1%	27.7%	27.8%	28.4%	28.7%	28.9%	28.3%	28.6%	28.8%	0.3%
<b>Gross profits</b>	<b>56,406</b>	<b>70,258</b>	<b>18,671</b>	<b>38,659</b>	<b>57,241</b>	<b>73,961</b>	<b>19,925</b>	<b>40,940</b>	<b>61,767</b>	<b>+7.9%</b>
(as a % of sales)	71.9%	72.3%	72.2%	71.6%	71.3%	71.1%	71.7%	71.4%	71.2%	
<b>SG&amp;A expenses</b>	<b>35,906</b>	<b>47,392</b>	<b>12,467</b>	<b>25,640</b>	<b>34,902</b>	<b>48,047</b>	<b>11,678</b>	<b>27,262</b>	<b>37,981</b>	<b>+8.8%</b>
(as a % of sales)	45.8%	48.8%	48.2%	47.5%	43.5%	46.2%	42.0%	47.5%	43.8%	
Sales costs	17,429	20,826	6,552	12,389	16,151	22,736	5,892	12,133	17,241	+6.7%
Advertising costs	7,450	8,099	3,448	5,555	7,235	9,913	2,756	5,426	7,339	+1.4%
(as a % of sales)	9.5%	8.3%	13.3%	10.3%	9.0%	9.5%	9.9%	9.5%	8.5%	
R&D spending	7,237	11,334	2,270	5,370	7,151	9,416	1,866	6,452	8,437	+18.0%
(as a % of sales)	9.2%	11.7%	8.8%	9.9%	8.9%	9.1%	6.7%	11.2%	9.7%	
Administration costs	11,240	15,232	3,645	7,881	11,600	15,895	3,920	8,677	12,303	+6.1%
<b>Operating profits</b>	<b>20,500</b>	<b>22,865</b>	<b>6,203</b>	<b>13,019</b>	<b>22,339</b>	<b>25,914</b>	<b>8,246</b>	<b>13,677</b>	<b>23,786</b>	<b>+6.5%</b>
(as a % of sales)	26.1%	23.5%	24.0%	24.1%	27.8%	24.9%	29.7%	23.8%	27.4%	
Nonoperating balance	317	578	212	459	464	891	266	324	420	
Nonoperating income	521	1,373	248	492	544	967	280	452	669	
Nonoperating expenses	204	795	35	33	80	75	13	127	249	
<b>Recurring profits</b>	<b>20,816</b>	<b>23,444</b>	<b>6,416</b>	<b>13,478</b>	<b>22,804</b>	<b>26,805</b>	<b>8,513</b>	<b>14,001</b>	<b>24,206</b>	<b>+6.1%</b>
(as a % of sales)	26.5%	24.1%	24.8%	25.0%	28.4%	25.8%	30.6%	24.4%	27.9%	
Extraordinary balance	-157	-381	-371	-550	-706	-484	-11	226	421	
Extraordinary profits	103	1,600	7	92	93	751	187	471	688	
Extraordinary losses	260	1,981	378	642	799	1,236	199	248	266	
<b>Pretax profits</b>	<b>20,659</b>	<b>23,062</b>	<b>6,045</b>	<b>12,928</b>	<b>22,097</b>	<b>26,321</b>	<b>8,502</b>	<b>14,225</b>	<b>24,628</b>	<b>+11.5%</b>
Tax, etc.	8,469	10,520	2,353	5,085	8,746	9,142	3,402	5,677	9,850	
Tax adjustment	-65	-1,307	-	-33	-37	1,176	-	-	-	
Effective tax rate	40.7%	39.9%	38.9%	39.1%	39.4%	39.2%	40.0%	39.9%	40.0%	
<b>Net profits</b>	<b>12,255</b>	<b>13,850</b>	<b>3,692</b>	<b>7,875</b>	<b>13,389</b>	<b>16,003</b>	<b>5,099</b>	<b>8,547</b>	<b>14,777</b>	<b>+10.4%</b>
(as a % of sales)	15.6%	14.3%	14.3%	14.6%	16.7%	15.4%	18.4%	14.9%	17.0%	
Capex	1,342	12,704		2,240		6,866		3,355		
(as a % of sales)	1.7%	13.1%		4.1%		6.6%		5.8%		
Depreciation	2,910	2,510		1,244		2,889		1,288		
(as a % of sales)	3.7%	2.6%		2.2%		2.6%		2.2%		
Goodwill amortization		1,664		788		1,572		1,006		
(as a % of sales)		1.7%		1.5%		1.5%		1.8%		
Number of employees	1,063	1,180		1,190		1,137		1,190		
<b>Major products</b>										
<b>Mohrus tape</b>	<b>41,534</b>	<b>50,968</b>	<b>13,448</b>	<b>27,946</b>	<b>42,603</b>	<b>56,189</b>	<b>15,408</b>	<b>31,993</b>	<b>49,572</b>	<b>+16.4%</b>
(of which, regular)	32,984	37,137	9,370	19,213	28,780	37,609	9,862	20,095	30,677	+6.6%
(of which, Mohrus Tape L)	8,549	13,830	4,078	8,732	13,822	18,580	5,546	11,898	18,895	+36.7%
<b>Mohrus</b>	<b>13,979</b>	<b>14,064</b>	<b>3,383</b>	<b>7,098</b>	<b>10,592</b>	<b>13,490</b>	<b>3,234</b>	<b>6,750</b>	<b>10,256</b>	<b>△3.2%</b>
Estrana	388	388	108	213	336	471	96	224	368	+9.5%
Naboal	-	1,375	377	1,022	1,524	2,026	544	1,098	1,624	+6.6%
Inside Pap	-	1,510	360	723	1,055	1,324	301	607	900	△14.7%
<b>Salonpas</b>	<b>6,181</b>	<b>6,277</b>	<b>1,567</b>	<b>3,582</b>	<b>5,282</b>	<b>6,800</b>	<b>1,581</b>	<b>3,657</b>	<b>5,401</b>	<b>+2.3%</b>
Salonsip	3,777	3,887	1,008	2,305	3,315	4,115	1,122	2,366	3,452	+4.1%
Air-Salonpas	1,622	1,637	498	1,108	1,465	1,659	494	1,158	1,570	+7.2%
Lifecella	1,289	1,268	356	631	868	1,133	299	497	684	△21.2%
Butenalock	1,678	2,187	1,191	1,792	1,864	2,636	1,021	1,452	1,571	△15.7%
Feitas	1,508	2,094	915	1,839	3,018	3,712	1,097	2,174	3,238	+7.3%

(¥mn)	Feb 2007A	Feb 2008E		Cons-
<Consolidated>	full year	full year	YoY	parent ratio
<b>Sales</b>	<b>109,791</b>	<b>117,500</b>	<b>+7.0%</b>	<b>1.05</b>
CoGS	32,903	36,400		
(CoGS ratio %)	30.0%	31.0%		
<b>Gross profits</b>	<b>76,888</b>	<b>81,100</b>	<b>+5.5%</b>	
(as a % of sales)	70.0%	69.0%		
SG&A costs	50,754	52,400	+3.2%	
of which, advertising costs	10,347	9,800	5.3%	
of which, R&D spending	9,295	9,500	+2.2%	
<b>Operating profits</b>	<b>26,134</b>	<b>28,700</b>	<b>+9.8%</b>	<b>1.03</b>
(as a % of sales)	23.8%	24.4%		
Nonoperating balance	867	800		
<b>Recurring profits</b>	<b>27,001</b>	<b>29,500</b>	<b>+9.3%</b>	<b>1.04</b>
(as a % of sales)	24.6%	25.1%		
Extraordinary balance	-1,083	-600		
Pretax profits	25,917	28,900	+11.5%	
Provision for tax	10,070	11,400		
(effective tax rate)	38.9%	39.4%		
<b>Net profits</b>	<b>15,847</b>	<b>17,500</b>	<b>+10.4%</b>	<b>1.03</b>
(as a % of sales)	14.4%	14.9%		
Capex	7,211	7,800		
Depreciation	3,118	3,900		
goodwill amortization	2,117	2,129		

**By product**

## &lt;Rx. Products&gt;

Mohrus tape	56,189	62,600	+11.4%
(of which, regular)	37,609	39,000	+3.7%
(of which, Mohrus Tape L)	18,580	23,600	+27.0%
Mohrus	13,490	13,500	+0.1%
Estrana	471	500	+6.2%
Nabosal tape/gel/Pap/Cap	2,026	2,400	+18.5%
Inside Pap	1,324	1,200	-9.4%

## &lt;OTC products&gt;

Salonpas	6,800	7,100	+4.4%
Salonsip	4,115	4,000	-2.8%
Air-Salonpas	1,659	1,600	-3.6%
Lifecella	1,133	1,400	+23.6%
Butenolock	2,636	2,500	-5.2%
Feitas	3,712	5,000	+34.7%

	Feb 2007A	Feb 2008E	
<Non-Consolidated>	full year	full year	YoY
<b>Sales</b>	<b>104,037</b>	<b>111,500</b>	<b>+7.2%</b>
Prescription drugs	79,169	85,500	+8.0%
OTC products	21,631	22,700	+4.9%
International business	3,236	3,300	+2.0%
CoGS	30,075	33,000	
(CoGS ratio %)	28.9%	29.6%	
Gross profits	73,961	78,500	
(as a % of sales)	71.1%	70.4%	
SG&A costs	48,047	50,600	
Sales costs	22,736	24,000	
(advertising costs)	9,913	9,300	
R&D spending	9,416	9,600	
Other	15,895	17,000	
<b>Operating profits</b>	<b>25,914</b>	<b>27,900</b>	<b>+7.7%</b>
(as a % of sales)	24.9%	25.0%	
Nonoperating balance	891	600	
<b>Recurring profits</b>	<b>26,805</b>	<b>28,500</b>	<b>+6.3%</b>
(as a % of sales)	25.8%	25.6%	
Extraordinary balance	-484	-400	
Pretax profits	26,321	28,100	
Provision for tax	10,318	11,100	+7.6%
(effective tax rate)	39.2%	39.5%	
<b>Net profits</b>	<b>16,003</b>	<b>17,000</b>	<b>+6.2%</b>
(as a % of sales)	15.4%	15.2%	
Capex	6,866	7,000	
Depreciation	2,889	3,400	
goodwill amortization	1,572	2,117	