

# Q1 FY2/12

## 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.

The figures in these materials are rounded to the nearest million yen.

Jul. 7th, 2011

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

## Consolidated financial statement

Apr 8th, 2011

<b>&lt;Balance sheet&gt;</b>	2008.2	2009.2	2009.5	2009.8	2009.11	2010.2	2010.5	2010.8	2010.11	2011.2	2011.5	As a % of total
(Unit: ¥mn)	Q4	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
<b>Current assets</b>	<b>80,488</b>	<b>95,009</b>	<b>88,529</b>	<b>83,662</b>	<b>90,210</b>	<b>86,100</b>	<b>85,444</b>	<b>92,781</b>	<b>91,077</b>	<b>92,896</b>	<b>85,967</b>	<b>44.8%</b>
Cash & deposits	36,129	39,354	29,220	18,440	26,367	26,935	28,191	29,717	27,574	33,186	25,158	
Notes and accounts receivable	31,307	39,415	41,324	41,285	40,115	42,324	36,692	42,083	36,917	36,860	37,098	
Marketable securities	2,332	4,169	4,347	5,462	2,607	0	2,791	2,870	5,839	5,380	3,626	
Inventory	8,635	9,180	9,672	11,246	11,122	12,271	12,603	11,518	12,322	11,303	12,506	
Deferred tax assets	1,345	2,133	2,180	2,846	2,946	2,258	2,113	1,977	2,071	3,620	3,869	
Other current assets	909	975	2,009	4,603	7,265	2,577	3,292	4,891	6,596	2,786	3,926	
Bad debt provision	-171	-217	-225	-220	-215	-267	-240	-277	-244	-241	-218	
<b>Fixed assets</b>	<b>69,262</b>	<b>72,632</b>	<b>74,351</b>	<b>114,435</b>	<b>113,728</b>	<b>107,450</b>	<b>105,851</b>	<b>104,342</b>	<b>101,939</b>	<b>101,890</b>	<b>105,908</b>	<b>55.2%</b>
Tangible fixed assets	40,299	40,325	40,576	44,027	44,576	46,218	45,802	45,336	44,542	44,260	44,365	
Buildings and structures	16,668	15,971	15,464	18,020	17,851	20,082	19,752	19,475	19,043	18,825	19,128	
Machinery and transport equipment	7,023	6,589	6,583	7,978	7,649	9,692	9,259	8,552	7,863	7,452	7,327	
Tools, instruments, etc.	2,052	2,287	2,191	2,226	2,387	2,347	2,235	2,135	2,294	2,223	2,590	
Land	11,374	11,389	11,394	11,647	11,650	12,438	12,430	12,377	12,325	12,422	12,444	
Construction in progress	3,181	4,088	4,906	4,040	4,924	1,479	1,629	2,309	2,554	2,882	2,420	
Lease assets			35	117	112	177	494	485	461	454	452	
Intangible fixed assets	5,464	4,840	4,283	31,106	30,848	15,756	15,523	14,434	13,486	12,943	18,017	
Investments, etc.	23,497	27,466	29,491	39,301	38,303	45,475	44,524	44,571	43,910	44,686	43,526	
Investment securities	14,872	13,465	14,605	20,297	18,486	31,979	31,100	30,877	30,501	31,799	29,564	
Long-term loans	312	361	358	286	283	210	211	131	130	128	126	
Deferred tax assets	2,154	4,588	3,822	9,216	9,518	3,829	3,904	4,246	4,259	3,833	4,056	
Other	6,316	9,206	10,837	9,634	10,157	9,596	9,448	9,448	9,150	9,056	9,909	
Bad debt provision	-159	-154	-132	-132	-140	-140	-140	-132	-132	-131	-131	
<b>Total assets</b>	<b>149,750</b>	<b>167,642</b>	<b>162,880</b>	<b>198,098</b>	<b>203,938</b>	<b>193,551</b>	<b>191,295</b>	<b>197,124</b>	<b>193,017</b>	<b>194,787</b>	<b>191,876</b>	
<b>Current liabilities</b>	<b>27,606</b>	<b>34,646</b>	<b>29,907</b>	<b>42,724</b>	<b>49,960</b>	<b>42,825</b>	<b>36,915</b>	<b>42,310</b>	<b>38,827</b>	<b>39,275</b>	<b>39,060</b>	<b>20.4%</b>
Notes and accounts payable	9,933	13,062	12,528	12,124	12,650	14,669	12,511	13,343	12,342	11,279	12,774	
Short-term borrowing	1,038	1,047	1,106	6,039	15,004	10,484	8,478	6,354	6,224	6,055	9,618	
Accrued expenses	7,699	9,936	9,034	8,058	5,949	5,317	5,308	7,173	5,349	7,192	4,961	
Unpaid tax, etc.	6,980	8,838	3,046	5,947	2,882	4,694	4,037	8,221	5,514	10,239	2,486	
Reserve for returned goods unsold	157	213	264	246	230	237	183	196	183	176	204	
Bonus reserves	808	844	236	942	248	880	493	1,357	740	1,499	502	
Other current liabilities	988	704	3,690	9,368	12,993	6,541	5,901	5,662	8,472	2,833	8,512	
<b>Fixed liabilities</b>	<b>8,215</b>	<b>8,890</b>	<b>8,852</b>	<b>25,303</b>	<b>24,657</b>	<b>19,749</b>	<b>20,056</b>	<b>17,115</b>	<b>16,948</b>	<b>14,288</b>	<b>15,410</b>	<b>8.0%</b>
Long-term borrowing	842	881	806	10,799	10,689	8,142	8,097	5,541	5,539	3,089	3,961	
Deferred tax liabilities	2,164	2,164	2,164	2,164	2,200	3,027	5,129	4,746	4,551	4,133	4,097	
Pension provisions	4,071	4,554	4,596	4,651	4,675	4,707	4,785	4,822	4,883	4,910	4,920	
Reserve for directors' retirement benefits	1,102	1,172	1,112	1,133	1,153	1,174	1,181	1,187	1,194	1,200	1,155	
Other fixed liabilities	35	117	172	6,556	5,938	2,697	863	816	779	954	1,275	
<b>Total liabilities</b>	<b>35,819</b>	<b>43,536</b>	<b>38,759</b>	<b>68,028</b>	<b>74,617</b>	<b>62,574</b>	<b>56,971</b>	<b>59,425</b>	<b>55,776</b>	<b>53,564</b>	<b>54,470</b>	<b>28.4%</b>
<b>Owners' Equity</b>	<b>110,376</b>	<b>123,948</b>	<b>122,648</b>	<b>127,266</b>	<b>130,361</b>	<b>130,647</b>	<b>133,783</b>	<b>139,699</b>	<b>141,331</b>	<b>145,616</b>	<b>142,023</b>	<b>74.0%</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>	<b>8,473</b>	<b>8,473</b>	
Capital surplus	8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	
Retained earnings	106,010	119,650	121,253	125,872	129,395	132,298	135,435	141,352	142,985	147,272	146,996	
Treasury stock	-12,504	-12,571	-15,474	-15,476	-15,904	-18,521	-18,522	-18,522	-18,523	-18,525	-21,842	
<b>Net unrealized gain and translation adjustment</b>	<b>2,803</b>	<b>-561</b>	<b>743</b>	<b>2,058</b>	<b>-1,861</b>	<b>-560</b>	<b>-419</b>	<b>-2,964</b>	<b>-5,069</b>	<b>-5,324</b>	<b>-5,672</b>	<b>-3.0%</b>
Other marketable securities revaluation account	326	-2,154	-991	182	-1,152	-780	-849	-1,349	-1,344	-564	-1,618	
Land revaluation account	3,188	3,188	3,188	3,188	3,188	3,188	3,189	3,189	3,189	3,189	3,189	
Forex adjustment account	-712	-1,596	-1,453	-1,313	-3,897	-2,968	-2,759	-4,804	-6,914	-7,949	-7,244	
<b>Minority interest</b>	<b>750</b>	<b>719</b>	<b>728</b>	<b>745</b>	<b>821</b>	<b>889</b>	<b>960</b>	<b>963</b>	<b>978</b>	<b>930</b>	<b>1,054</b>	<b>0.5%</b>
<b>Total Net assets</b>	<b>113,929</b>	<b>124,105</b>	<b>124,120</b>	<b>130,070</b>	<b>129,321</b>	<b>130,976</b>	<b>134,323</b>	<b>137,698</b>	<b>137,241</b>	<b>141,222</b>	<b>137,405</b>	<b>71.6%</b>
<b>Liabilities and Net assets</b>	<b>149,750</b>	<b>167,642</b>	<b>162,880</b>	<b>198,098</b>	<b>203,938</b>	<b>193,551</b>	<b>191,295</b>	<b>197,124</b>	<b>193,017</b>	<b>194,787</b>	<b>191,876</b>	

## Consolidated financial statement

Apr 8th, 2011

<b>&lt;Income statement&gt;</b> (Unit: ¥mn)	2008.2 Q4	2009.2 Q4	2009.5 Q1	2009.8 Q2	2009.11 Q3	2010.2 Q4	2010.5 Q1	2010.8 Q2	2010.11 Q3	2011.2 Q4	2011.5 Q1	YoY
<b>Sales</b>	<b>119,061</b>	<b>124,655</b>	<b>30,328</b>	<b>64,801</b>	<b>98,378</b>	<b>129,834</b>	<b>32,869</b>	<b>71,079</b>	<b>102,584</b>	<b>137,184</b>	<b>33,039</b>	<b>+5.5%</b>
CoGS	36,101	39,884	9,803	20,759	31,581	42,659	11,440	24,412	35,170	47,697	10,938	△4.4%
(as a % of sales)	30.3%	32.0%	32.3%	32.0%	32.1%	32.9%	34.8%	34.3%	34.3%	34.8%	33.1%	
<b>Gross profits</b>	<b>82,960</b>	<b>84,771</b>	<b>20,525</b>	<b>44,042</b>	<b>66,797</b>	<b>87,174</b>	<b>21,428</b>	<b>46,666</b>	<b>67,414</b>	<b>89,486</b>	<b>22,101</b>	<b>+3.1%</b>
(as a % of sales)	69.7%	68.0%	67.7%	68.0%	67.9%	67.1%	65.2%	65.7%	65.7%	65.2%	66.9%	
<b>SG&amp;A expenses</b>	<b>53,888</b>	<b>52,239</b>	<b>13,373</b>	<b>28,449</b>	<b>41,786</b>	<b>58,589</b>	<b>14,746</b>	<b>30,897</b>	<b>45,073</b>	<b>61,292</b>	<b>15,301</b>	<b>+3.8%</b>
(as a % of sales)	45.3%	41.9%	44.1%	43.9%	42.5%	45.1%	44.9%	43.5%	43.9%	44.7%	46.3%	
Advertising costs	9,595	9,306	2,720	5,624	7,449	9,039	2,542	5,228	7,073	8,581	2,105	△17.2%
Sales promotion costs	11,838	11,029	2,820	6,450	9,304	12,431	2,841	6,209	8,367	11,702	2,826	△.5%
R&D spending	11,234	9,615	2,093	4,393	6,637	10,447	2,725	5,851	9,482	13,809	3,534	+29.7%
Other SG&A expenses	21,221	22,289	5,740	11,982	18,396	26,672	6,638	13,609	20,151	27,200	6,836	+3.0%
<b>Operating profits</b>	<b>29,071</b>	<b>32,532</b>	<b>7,152</b>	<b>15,592</b>	<b>25,010</b>	<b>28,585</b>	<b>6,682</b>	<b>15,768</b>	<b>22,340</b>	<b>28,193</b>	<b>6,800</b>	<b>+1.8%</b>
(as a % of sales)	24.4%	26.1%	23.6%	24.1%	25.4%	22.0%	20.3%	22.2%	21.8%	20.6%	20.6%	+1.5%
<b>Nonoperating income</b>	<b>1,422</b>	<b>1,319</b>	<b>263</b>	<b>616</b>	<b>1,378</b>	<b>2,918</b>	<b>840</b>	<b>2,315</b>	<b>3,915</b>	<b>5,448</b>	<b>1,074</b>	
Interest received	152	237	33	70	75	96	11	28	43	59	14	
Dividends received	170	241	26	156	183	291	22	198	312	356	27	
Nc Equity-method investment profits	264	42	25	49	660	1,901	669	1,846	3,206	4,539	915	
Amortisation of consolidated adjustment account	24	-	-	-	-	-	-	-	-	-	-	
Other	809	799	177	341	460	627	135	240	352	494	117	
<b>Nonoperating expenses</b>	<b>288</b>	<b>1,375</b>	<b>26</b>	<b>131</b>	<b>289</b>	<b>272</b>	<b>58</b>	<b>207</b>	<b>226</b>	<b>406</b>	<b>42</b>	
Interest paid	21	19	5	17	60	108	36	67	92	125	24	
Other	266	1,356	20	114	229	163	22	140	134	280	17	
Extraordinary balance												
<b>Recurring profits</b>	<b>30,204</b>	<b>32,476</b>	<b>7,388</b>	<b>16,077</b>	<b>26,100</b>	<b>31,231</b>	<b>7,464</b>	<b>17,876</b>	<b>26,029</b>	<b>33,236</b>	<b>7,833</b>	<b>+4.9%</b>
(as a % of sales)	25.4%	26.1%	24.4%	24.8%	26.5%	24.1%	22.7%	25.1%	25.4%	24.2%	23.7%	
<b>Extraordinary profits</b>	<b>707</b>	<b>1,854</b>	<b>333</b>	<b>334</b>	<b>1,316</b>	<b>1,357</b>	<b>3,066</b>	<b>3,047</b>	<b>3,072</b>	<b>3,099</b>	<b>4,615</b>	
Profit on sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	
Public subsidies	-	92	310	310	310	310	18	18	18	19	4,611	
Reversal of allowance for doubtful receivables	5	4	23	23	23	24	30	4	29	34	3	
Other	701	1,757	-	1	982	1,022	3,018	3,024	3,024	3,046	0	
<b>Extraordinary losses</b>	<b>705</b>	<b>2,122</b>	<b>347</b>	<b>358</b>	<b>368</b>	<b>740</b>	<b>31</b>	<b>36</b>	<b>77</b>	<b>231</b>	<b>7,259</b>	
Losses on fixed asset disposal	121	515	2	14	24	73	21	26	53	83	7	
Losses on fixed asset reduction	-	92	294	294	294	294	9	9	9	9	4,611	
Impairment loss	-	-	50	50	50	191	-	-	-	-	-	
Valuation losses on investment securities	22	1,509	-	-	-	181	-	-	14	138	-	
Valuation losses on memberships	5	-	-	-	-	-	-	-	-	-	-	
Loss due to disaster	-	-	-	-	-	-	-	-	-	-	2,639	
Other	556	4	-	-	-	-	-	-	-	-	-	
<b>Net profit before tax, etc.</b>	<b>30,206</b>	<b>32,208</b>	<b>7,374</b>	<b>16,052</b>	<b>27,048</b>	<b>31,848</b>	<b>10,499</b>	<b>20,887</b>	<b>29,023</b>	<b>36,104</b>	<b>5,189</b>	<b>△50.6%</b>
Tax, etc.	11,543	13,087	2,978	6,482	10,949	13,423	4,413	8,884	12,353	15,148	2,259	
<b>Net profits</b>	<b>18,663</b>	<b>19,120</b>	<b>4,396</b>	<b>9,569</b>	<b>16,099</b>	<b>18,423</b>	<b>6,085</b>	<b>12,002</b>	<b>16,669</b>	<b>20,956</b>	<b>2,758</b>	<b>△54.7%</b>
(as a % of sales)	15.7%	15.3%	14.5%	14.8%	16.4%	14.2%	18.5%	16.9%	16.2%	15.3%	8.3%	
Capex	7,545	7,415		2,651		6,467		2,053		4,595		
(as a % of sales)	6.3%	5.9%		4.1%		5.0%		2.9%		3.3%		
Depreciation	3,434	4,765		2,228		5,245		3,094		6,374		
(as a % of sales)	2.9%	3.8%		3.4%		4.0%		4.4%		4.6%		
Goodwill amortization	2,057	2,114		1,051		2,379		406		779		
(as a % of sales)	1.7%	1.7%		1.6%		1.8%		0.6%		0.6%		
Number of employees	1,752	1,890		2,636		2,600		2,656		2,635		

Non-consolidated financial statement

Apr 8th, 2011

<u>&lt;Balance sheet&gt;</u> (Unit: ¥mn)	2008.2 Q4	2009.2 Q4	2009.5 Q1	2009.8 Q2	2009.11 Q3	2010.2 Q4	2010.5 Q1	2010.8 Q2	2010.11 Q3	2011.2 Q4	2011.5 Q1	As a % of total
<b>Current assets</b>	<b>76,527</b>	<b>91,286</b>	<b>84,952</b>	<b>67,032</b>	<b>74,614</b>	<b>69,339</b>	<b>68,201</b>	<b>73,512</b>	<b>73,570</b>	<b>74,394</b>	<b>64,272</b>	<b>35.5%</b>
Cash & deposits	33,842	36,921	27,074	12,538	19,209	17,466	20,615	20,821	19,172	24,847	14,772	
Notes receivable	152	329	253	283	251	422	147	315	194	365	191	
Accounts receivable	30,561	38,708	40,712	39,263	38,311	39,486	34,247	38,945	35,507	34,101	34,272	
Marketable securities	2,280	4,126	4,301	0	0	0	0	0	3,000	2,500	500	
Inventory	7,762	8,367	8,857	8,930	8,912	9,860	10,265	9,051	9,912	8,902	9,839	
Deferred tax assets	1,319	2,150	2,150	2,150	2,150	1,260	1,260	1,260	1,260	2,946	2,946	
Other current assets	772	891	1,820	4,077	5,986	1,057	1,851	3,328	4,714	923	1,942	
Bad debt provision	-163	-208	-218	-210	-205	-213	-185	-210	-191	-191	-191	
<b>Fixed assets</b>	<b>64,781</b>	<b>68,760</b>	<b>70,578</b>	<b>111,610</b>	<b>111,932</b>	<b>111,200</b>	<b>110,759</b>	<b>111,758</b>	<b>111,747</b>	<b>112,993</b>	<b>116,735</b>	<b>64.5%</b>
Tangible fixed assets	34,939	35,142	35,369	35,311	36,153	35,140	34,447	34,149	33,668	33,077	31,911	
Buildings	12,620	12,070	11,574	12,539	12,479	13,523	13,186	12,895	12,729	12,450	11,935	
Machinery and equipment	8,278	8,033	7,912	8,147	8,157	9,554	8,963	8,331	7,972	7,464	7,400	
Land	10,902	10,948	10,948	10,948	10,966	10,996	10,949	10,949	10,949	10,949	10,949	
Construction in progress	3,137	4,088	4,898	3,634	4,510	1,026	1,281	1,911	1,958	2,158	1,574	
Lease assets			35	41	39	69	66	62	58	55	51	
Intangible fixed assets	5,439	4,831	4,274	3,746	3,298	2,837	2,845	2,736	2,748	2,824	7,798	
Investments, etc.	24,402	28,787	30,934	72,553	72,480	73,223	73,466	74,872	75,330	77,090	77,025	
Investment securities	13,326	12,255	14,596	15,508	13,819	14,658	14,610	15,026	15,498	17,350	16,018	
Advances to and shares in related companies	2,995	2,973	2,973	44,585	44,870	45,568	45,838	46,671	46,711	47,141	47,141	
Long-term loans	995	582	557	431	621	473	473	368	362	347	337	
Deferred tax assets	2,451	4,809	4,027	3,239	4,135	3,835	3,881	4,220	4,216	3,853	4,251	
Other investments, etc.	5,563	8,954	9,502	9,444	9,640	9,164	9,072	8,977	8,881	8,746	9,624	
Provision for losses on investments	-183	-263	-229	-192	-161	-109	-37	-35	-65	0	0	
Bad debt provision	-745	-525	-493	-464	-446	-368	-373	-357	-275	-349	-348	
<b>Total assets</b>	<b>141,308</b>	<b>160,046</b>	<b>155,530</b>	<b>178,643</b>	<b>186,546</b>	<b>180,540</b>	<b>178,961</b>	<b>185,270</b>	<b>185,317</b>	<b>187,388</b>	<b>181,007</b>	
<b>Current liabilities</b>	<b>24,445</b>	<b>31,346</b>	<b>26,964</b>	<b>33,821</b>	<b>40,152</b>	<b>34,444</b>	<b>29,793</b>	<b>33,416</b>	<b>31,688</b>	<b>31,229</b>	<b>29,512</b>	<b>16.3%</b>
Notes payable and Accounts payable	7,895	11,006	10,684	9,225	8,984	11,071	8,523	8,875	8,985	8,190	8,555	
Short-term debt	-	-	-	5,000	14,000	9,500	7,300	5,000	5,100	5,100	8,100	
Long-term debt due within 1 yr	-	-	-	-	-	-	-	-	-	-	-	
Accrued and unpaid expenses	8,013	10,215	11,014	9,473	8,840	8,144	7,910	7,390	7,239	7,387	7,397	
Unpaid tax, etc.	6,831	8,693	2,911	5,705	2,695	4,542	3,851	7,757	5,122	9,383	1,888	
Bonus reserves	783	811	201	902	213	847	210	921	227	880	222	
Reserve for returned goods unsold	157	213	264	246	230	237	183	196	183	176	204	
Provision for losses on debt guarantees	196	210	179	179	179	0	0	0	0	0	0	
Other current liabilities	567	194	1,709	3,089	5,008	99	1,813	3,274	4,829	110	3,143	
<b>Fixed liabilities</b>	<b>7,176</b>	<b>7,738</b>	<b>7,752</b>	<b>17,817</b>	<b>17,867</b>	<b>15,458</b>	<b>15,511</b>	<b>13,031</b>	<b>13,199</b>	<b>10,675</b>	<b>10,632</b>	<b>5.9%</b>
Long-term borrowing	-	-	-	10,000	10,000	7,500	7,500	5,000	5,100	2,550	2,550	
Provision for pension and remuneration obligation	4,995	5,551	5,535	5,597	5,649	5,717	5,778	5,816	5,887	5,918	5,878	
Deferred tax liabilities related to revaluation	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	
Other fixed liabilities	17	22	53	55	53	76	68	50	46	43	39	
<b>Total liabilities</b>	<b>31,622</b>	<b>39,084</b>	<b>34,717</b>	<b>51,639</b>	<b>58,019</b>	<b>49,902</b>	<b>45,305</b>	<b>46,448</b>	<b>44,888</b>	<b>41,905</b>	<b>40,145</b>	<b>22.2%</b>
<b>Owners' Equity</b>	<b>106,214</b>	<b>119,942</b>	<b>118,641</b>	<b>123,672</b>	<b>126,515</b>	<b>128,259</b>	<b>131,345</b>	<b>137,011</b>	<b>138,612</b>	<b>142,889</b>	<b>139,321</b>	<b>77.0%</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>	<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	8,241	8,241	
Capital reserves	2,118	2,118	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	6,123	6,123	
Retained earnings	101,979	115,774	117,376	122,407	125,679	130,040	133,126	138,792	140,395	144,673	144,421	
Voluntary reserve	82,000	94,000	104,000	104,000	104,000	104,000	120,000	120,000	120,000	120,000	135,000	
Unappropriated profit for the year (net profit)	19,979	21,774	13,376	18,407	21,679	26,040	13,126	18,792	20,395	24,673	9,421	
Treasury stock	-12,480	-12,547	-15,450	-15,451	-15,879	-18,496	-18,496	-18,497	-18,498	-18,499	-21,816	
<b>Net unrealized gain and translation adjustments</b>	<b>3,472</b>	<b>1,019</b>	<b>2,171</b>	<b>3,331</b>	<b>2,011</b>	<b>2,377</b>	<b>2,310</b>	<b>1,810</b>	<b>1,816</b>	<b>2,593</b>	<b>1,541</b>	<b>0.9%</b>
Marketable securities revaluation account	283	-2,169	-1,016	143	-1,177	-810	-878	-1,378	-1,372	-595	-1,647	
Revaluation account	3,188	3,188	3,188	3,188	3,188	3,188	3,189	3,189	3,189	3,189	3,189	
<b>Total Net assets</b>	<b>109,686</b>	<b>120,962</b>	<b>120,813</b>	<b>127,003</b>	<b>128,527</b>	<b>130,637</b>	<b>133,656</b>	<b>138,822</b>	<b>140,429</b>	<b>145,482</b>	<b>140,862</b>	<b>77.8%</b>
<b>Liabilities and Net assets</b>	<b>141,308</b>	<b>160,046</b>	<b>155,530</b>	<b>178,643</b>	<b>186,546</b>	<b>180,540</b>	<b>178,961</b>	<b>185,270</b>	<b>185,317</b>	<b>187,388</b>	<b>181,007</b>	

## Non-consolidated financial statement

Apr 8th, 2011

<u>&lt;Income statement&gt;</u>	2008.2	2009.2	2009.5	2009.8	2009.11	2010.2	2010.5	2010.8	2010.11	2011.2	2011.5	YoY
(Unit: ¥mn)	Q4	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
<b>Sales</b>	<b>112,635</b>	<b>118,142</b>	<b>28,893</b>	<b>61,828</b>	<b>93,056</b>	<b>120,813</b>	<b>28,667</b>	<b>62,619</b>	<b>90,814</b>	<b>120,537</b>	<b>28,303</b>	<b>Δ1.3%</b>
Prescription drugs	87,417	92,775	22,242	48,268	73,820	95,740	23,926	50,021	73,449	96,544	23,088	Δ3.5%
OTC products	21,946	21,668	5,696	11,464	16,225	20,625	4,052	10,528	14,215	19,020	4,408	+8.8%
International business	3,270	3,698	955	2,096	3,010	4,447	687	2,070	3,149	4,973	806	+17.3%
CoGS	33,128	36,906	9,055	19,256	28,799	37,540	9,080	20,022	28,943	38,766	8,544	Δ5.9%
(as a % of sales)	29.4%	31.2%	31.3%	31.1%	30.9%	31.1%	31.7%	32.0%	31.9%	32.2%	30.2%	-4.7%
<b>Gross profits</b>	<b>79,507</b>	<b>81,236</b>	<b>19,838</b>	<b>42,572</b>	<b>64,257</b>	<b>83,273</b>	<b>19,586</b>	<b>42,597</b>	<b>61,871</b>	<b>50,982</b>	<b>19,758</b>	<b>+9%</b>
(as a % of sales)	70.6%	68.8%	68.7%	68.9%	69.1%	68.9%	68.3%	68.0%	68.1%	67.8%	69.8%	
<b>SG&amp;A expenses</b>	<b>51,240</b>	<b>49,342</b>	<b>12,797</b>	<b>27,357</b>	<b>39,513</b>	<b>51,790</b>	<b>12,593</b>	<b>26,271</b>	<b>37,940</b>	<b>50,982</b>	<b>12,573</b>	<b>Δ2%</b>
(as a % of sales)	45.5%	41.8%	44.3%	44.2%	42.5%	42.9%	43.9%	42.0%	41.8%	42.3%	44.4%	
Sales costs	23,425	22,344	6,085	13,334	18,561	23,477	5,997	12,456	16,747	21,665	5,332	Δ11.1%
Advertising costs	9,131	8,613	2,577	5,456	7,164	8,481	2,500	4,959	6,577	7,876	2,064	Δ17.4%
(as a % of sales)	8.1%	7.3%	8.9%	8.8%	7.7%	7.0%	8.7%	7.9%	7.2%	6.5%	7.3%	
R&D spending	11,253	9,609	2,092	4,393	6,521	8,637	2,145	4,829	7,903	11,517	2,805	+30.8%
(as a % of sales)	10.0%	8.1%	7.2%	7.1%	7.0%	7.1%	7.5%	7.7%	8.7%	9.6%	9.9%	
Administration costs	16,562	17,389	4,620	9,630	14,431	19,676	4,451	8,986	13,290	17,800	4,436	Δ3%
<b>Operating profits</b>	<b>28,265</b>	<b>31,893</b>	<b>7,040</b>	<b>15,214</b>	<b>24,744</b>	<b>31,482</b>	<b>6,992</b>	<b>16,325</b>	<b>23,930</b>	<b>30,788</b>	<b>7,185</b>	<b>+2.8%</b>
(as a % of sales)	25.1%	27.0%	24.4%	24.6%	26.6%	26.1%	24.4%	24.4%	26.4%	25.5%	25.4%	
<b>Nonoperating balance</b>	<b>644</b>	<b>284</b>	<b>222</b>	<b>434</b>	<b>418</b>	<b>674</b>	<b>135</b>	<b>372</b>	<b>522</b>	<b>646</b>	<b>119</b>	
Nonoperating income	942	1,438	232	561	692	880	179	515	724	861	156	
Nonoperating expenses	298	1,154	9	126	274	205	44	143	154	215	37	
<b>Recurring profits</b>	<b>28,909</b>	<b>32,177</b>	<b>7,263</b>	<b>15,648</b>	<b>25,163</b>	<b>32,156</b>	<b>7,127</b>	<b>16,697</b>	<b>24,500</b>	<b>31,435</b>	<b>7,304</b>	<b>+2.5%</b>
(as a % of sales)	25.7%	27.2%	25.1%	25.3%	27.0%	26.6%	24.9%	26.7%	27.0%	26.1%	25.8%	
<b>Extraordinary balance</b>	<b>87</b>	<b>-112</b>	<b>62</b>	<b>120</b>	<b>1,147</b>	<b>1,132</b>	<b>3,109</b>	<b>3,102</b>	<b>3,150</b>	<b>3,047</b>	<b>-2,637</b>	
Extraordinary profits	852	1,977	277	344	1,375	1,728	3,111	3,106	3,175	3,202	5	
Extraordinary losses	765	2,089	215	223	228	595	2	4	25	154	2,643	
<b>Pretax profits</b>	<b>28,997</b>	<b>32,065</b>	<b>7,325</b>	<b>15,769</b>	<b>26,310</b>	<b>33,289</b>	<b>10,237</b>	<b>19,799</b>	<b>27,650</b>	<b>34,483</b>	<b>4,666</b>	<b>Δ54.4%</b>
Tax, etc.	11,231	14,337	2,929	6,343	10,630	12,306	4,201	8,098	11,312	15,488	1,883	
Tax adjustment	278	-1,524	0	0	0	942	0	0	0	-1,620	0	
Effective tax rate	39.7%	40.0%	40.0%	40.2%	40.4%	39.8%	41.1%	40.9%	40.9%	40.2%	40.4%	
<b>Net profits</b>	<b>17,487</b>	<b>19,251</b>	<b>4,395</b>	<b>9,426</b>	<b>15,680</b>	<b>20,041</b>	<b>6,034</b>	<b>11,701</b>	<b>16,338</b>	<b>20,615</b>	<b>2,783</b>	<b>Δ53.9%</b>
(as a % of sales)	15.5%	16.3%	15.2%	15.2%	16.9%	16.6%	21.0%	18.7%	18.0%	17.1%	9.8%	
Capex	7,117	6,739		2,394		5,816		1,314		2,850		
(as a % of sales)	6.3%	5.7%		3.9%		4.8%		2.1%		2.4%		
Depreciation	2,999	4,336		1,993		4,442		2,218		4,600		
(as a % of sales)	2.7%	3.7%		3.2%		3.7%		3.5%		3.8%		
Goodwill amortization	2,057	2,102		1,051		2,102		0		0		
(as a % of sales)	1.8%	1.8%		1.7%		1.7%		0.0%		0.0%		
Number of employees	1,216	1,285		1,410		1,389		1,462		1,435		
<b>Major products</b>												
<b>Mohrus tape</b>	<b>65,280</b>	<b>71,897</b>	<b>17,377</b>	<b>37,735</b>	<b>58,060</b>	<b>75,765</b>	<b>19,030</b>	<b>39,488</b>	<b>58,119</b>	<b>76,565</b>	<b>18,437</b>	<b>Δ3.1%</b>
<b>Mohrus</b>	<b>12,976</b>	<b>11,996</b>	<b>2,661</b>	<b>5,893</b>	<b>8,852</b>	<b>11,125</b>	<b>2,604</b>	<b>5,415</b>	<b>7,725</b>	<b>9,859</b>	<b>1,969</b>	<b>Δ24.4%</b>
Naboal	2,073	2,004	554	1,151	1,691	2,151	556	1,171	1,654	2,189	477	Δ14.2%
Fentos *								401	777	1,283	624	-
Estrana	496	751	232	492	755	981	260	546	811	1,071	272	+4.6%
<b>Salonpas</b>	<b>6,901</b>	<b>6,732</b>	<b>1,543</b>	<b>3,399</b>	<b>5,058</b>	<b>6,776</b>	<b>988</b>	<b>3,066</b>	<b>4,579</b>	<b>6,439</b>	<b>1,045</b>	<b>+5.8%</b>
Feitas *	4,042	4,375	946	2,089	3,172	4,002	781	2,039	2,907	3,664	935	+19.7%
Salonsip	4,188	3,927	1,016	2,079	2,970	3,711	667	1,918	2,590	3,459	683	+2.4%
Butenalock	2,557	2,534	1,032	1,258	1,299	2,165	655	1,139	1,144	2,085	778	+18.8%
Air-Salonpas	1,762	2,026	561	1,100	1,436	1,662	423	1,231	1,548	1,778	410	Δ3.1%
Vivelle-Dot					354	1,199	1,129	2,175	3,126	4,080	852	Δ24.5%
Noven Therapeutics					144	732	653	1,227	1,805	2,402	575	Δ11.9%
Daytrana					129	431	237	503	439	1,839	1,425	+501.3%

\*: The data was corrected.

(¥mn)	Feb 2011A	Feb 2012E	YoY	Cons- parent ratio
<b>&lt;Consolidated&gt;</b>	full year	full year		
<b>Sales</b>	<b>137,184</b>	<b>142,400</b>	<b>+3.8%</b>	<b>1.14</b>
CoGS	47,697	49,200		
(CoGS ratio %)	34.8%	34.6%		
<b>Gross profits</b>	<b>89,486</b>	<b>93,200</b>	<b>+4.2%</b>	
(as a % of sales)	65.2%	65.4%		
SG&A costs	61,292	69,200	+12.9%	
of which, advertising costs	8,581	10,000	+16.5%	
of which, R&D spending	13,809	16,400	+18.8%	
<b>Operating profits</b>	<b>28,193</b>	<b>24,000</b>	<b>△14.9%</b>	<b>0.92</b>
(as a % of sales)	20.6%	16.9%		
Nonoperating balance	5,043	6,500		
<b>Recurring profits</b>	<b>33,236</b>	<b>30,500</b>	<b>△8.2%</b>	<b>1.06</b>
(as a % of sales)	24.2%	21.4%		
Extraordinary balance	2,868	-800		
Pretax profits	36,104	29,700	△17.7%	
Provision for tax	15,148	12,500		
(effective tax rate)	42.0%	42.1%		
<b>Net profits</b>	<b>20,956</b>	<b>17,200</b>	<b>△17.9%</b>	<b>1.02</b>
(as a % of sales)	15.3%	12.1%		
Capex	4,595	8,600		
Depreciation	6,374	6,200		
Amortization of stocks of subsidiaries and affiliates	1,273	1,000		
goodwill amortization	779	1,400		

**By product**

## &lt;Rx. Products&gt;

Mohrus tape	76,565	77,600	+1.4%
Mohrus	9,859	8,600	△12.8%
Naboal tape/gel/Pap/Cap	2,189	2,000	△8.6%
Fentos tape	1,283	3,500	#####
Norspan tape	-	1,300	-
Estrana	1,071	1,200	+12.0%
Inside Pap	816	5,500	#####

## &lt;OTC products&gt;

Salonpas	6,439	6,400	△.6%
Feitas	3,664	3,900	+6.4%
Salonsip	3,459	3,500	+1.2%
Butenalock	2,085	1,800	△13.7%
Air-Salonpas	1,778	1,800	+1.2%

## &lt;Noven products&gt;

Vivelle-Dot	4,080	3,900	△4.4%
Noven Therapeutics	2,402	2,000	△16.7%
Daytrana	1,839	5,000	#####

	Feb 2011A	Feb 2012E	YoY
<b>&lt;Non-Consolidated&gt;</b>	full year	full year	
<b>Sales</b>	<b>120,537</b>	<b>123,400</b>	<b>+2.4%</b>
Prescription drugs	96,544	98,100	+1.6%
OTC products	19,020	19,500	+2.5%
International business	4,973	5,800	+16.6%
CoGS	38,766	39,300	+1.4%
(CoGS ratio %)	32.2%	31.8%	
Gross profits	81,770	84,100	+2.8%
(as a % of sales)	67.8%	68.2%	
SG&A costs	50,982	56,300	+10.4%
Sales costs	21,665	26,400	+21.9%
(advertising costs)	7,876	9,100	+15.5%
R&D spending	11,517	12,300	+6.8%
Other	17,800	17,600	△1.1%
<b>Operating profits</b>	<b>30,788</b>	<b>27,800</b>	<b>△9.7%</b>
(as a % of sales)	25.5%	22.5%	
Nonoperating balance	646	900	
<b>Recurring profits</b>	<b>31,435</b>	<b>28,700</b>	<b>△8.7%</b>
(as a % of sales)	26.1%	23.3%	
Extraordinary balance	3,047	-800	
Pretax profits	34,483	27,900	△19.1%
Provision for tax	13,868	11,300	
(effective tax rate)	40.2%	40.5%	
<b>Net profits</b>	<b>20,615</b>	<b>16,600</b>	<b>△19.5%</b>
(as a % of sales)	17.1%	13.5%	
Capex	2,850	4,900	
Depreciation	4,600	4,300	
goodwill amortization	0	600	