

## Non-consolidated Information

# Non-consolidated income statements

(Millions of yen)

Half year/year to	9/2002	3/2003	9/2003	3/2004	9/2004	Change over previous first-half year (%)
<b>Net sales</b>	<b>42,770</b>	<b>82,372</b>	<b>40,928</b>	<b>80,227</b>	<b>41,897</b>	<b>2.3</b>
Cost of sales	15,382	28,901	13,953	27,653	14,430	3.4
(Percentage of net sales)	36.0%	35.1%	34.1%	34.5%	34.4%	
<b>Gross profit</b>	<b>27,387</b>	<b>53,471</b>	<b>26,975</b>	<b>52,573</b>	<b>27,467</b>	<b>1.8</b>
(Percentage of net sales)	64.0%	64.9%	65.9%	65.5%	65.5%	
Selling, general and administrative expenses	18,238	36,141	18,215	35,103	17,690	-2.8
(Percentage of net sales)	42.6%	43.9%	44.5%	43.7%	42.2%	
(R&D expenses)	6,328	12,109	6,102	12,023	6,195	1.5
(Percentage of net sales)	14.7%	14.7%	14.9%	15.0%	14.7%	
<b>Operating income</b>	<b>9,148</b>	<b>17,329</b>	<b>8,759</b>	<b>17,469</b>	<b>9,776</b>	<b>11.6</b>
(Percentage of net sales)	21.4%	21.0%	21.4%	21.8%	23.3%	
Non-operating income	368	719	490	2,651	539	9.9
Non-operating expenses	612	1,037	929	1,439	94	-89.8
<b>Ordinary income</b>	<b>8,905</b>	<b>17,011</b>	<b>8,320</b>	<b>18,680</b>	<b>10,221</b>	<b>22.8</b>
(Percentage of net sales)	20.8%	20.7%	20.3%	23.3%	24.3%	
Extraordinary gain	0	16	489	682	237	-51.3
Extraordinary loss	2,219	14,728	793	5,058	1,006	26.8
<b>Income before income taxes</b>	<b>6,686</b>	<b>2,299</b>	<b>8,016</b>	<b>14,305</b>	<b>9,452</b>	<b>17.9</b>
(Percentage of net sales)	15.6%	2.8%	19.6%	17.8%	22.5%	
Income taxes - current	2,520	442	3,941	8,662	3,058	-22.4
Income taxes - deferred	348	985	-923	-1,533	386	141.7
<b>Net income</b>	<b>3,817</b>	<b>871</b>	<b>4,998</b>	<b>7,176</b>	<b>6,008</b>	<b>20.2</b>
(Percentage of net sales)	8.9%	1.1%	12.2%	8.9%	14.3%	

### Selling, general and administrative expense

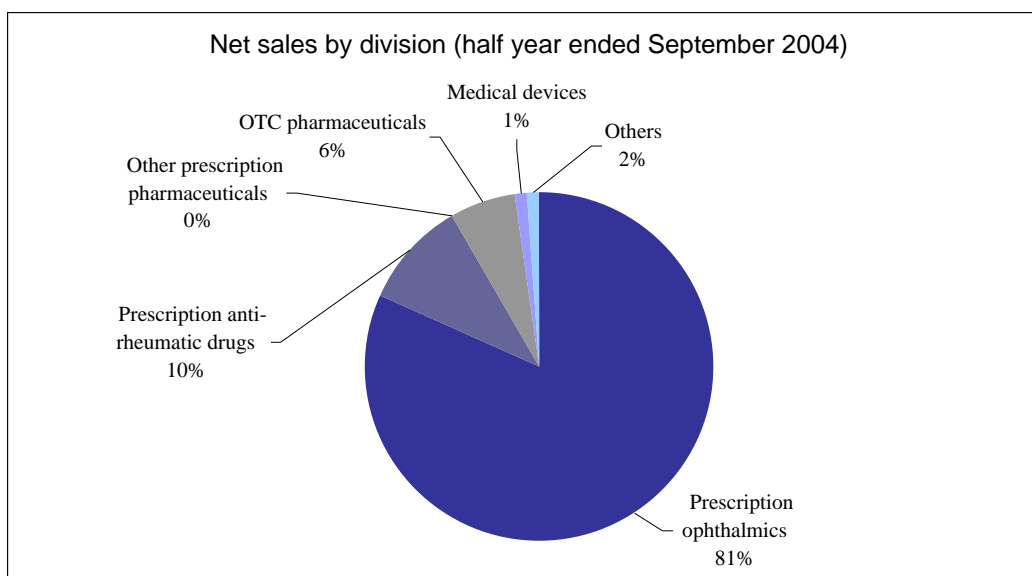
(Millions of yen)

Half year/year to	9/2002	3/2003	9/2003	3/2004	9/2004	Change over previous first-half year (%)
Personnel expenses	4,087	8,746	4,272	8,432	4,364	2.1
Sales promotion expenses	929	2,399	913	2,212	1,008	10.4
Royalty expenses	1,040	1,951	1,011	1,943	1,055	4.3
Advertising expenses	973	1,655	1,141	1,542	1,006	-11.7
R&D expenses	6,328	12,109	6,102	12,023	6,195	1.5

### Sales by division

(Millions of yen)

Half year/year to	9/2002	3/2003	9/2003	3/2004	9/2004	Change over previous first-half year (%)	3/2005 Forecast
Prescription pharmaceuticals	38,236	74,130	37,154	72,781	38,405	3.4	77,520
Ophthalmic	34,165	66,207	33,087	64,749	34,170	3.3	69,140
Anti-rheumatic drugs	3,869	7,631	4,022	7,969	4,215	4.8	8,340
Other prescription pharmaceuticals	201	291	43	62	19	-53.8	40
OTC pharmaceuticals	3,281	5,656	2,205	4,672	2,593	17.6	5,220
Medical devices	440	855	456	877	416	-8.8	800
Others	810	1,730	1,113	1,896	482	-56.7	1,060
<b>Total net sales</b>	<b>42,770</b>	<b>82,372</b>	<b>40,928</b>	<b>80,227</b>	<b>41,897</b>	<b>2.4</b>	<b>84,600</b>



## Non-consolidated balance sheets

### Assets

At half-year/year end	9/2002		3/2003		9/2003		3/2004		9/2004	
	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)
<b>Current assets</b>	<b>78,189</b>	<b>48.5</b>	<b>75,794</b>	<b>51.3</b>	<b>75,180</b>	<b>52.0</b>	<b>84,293</b>	<b>56.1</b>	<b>84,763</b>	<b>56.8</b>
Cash and deposits	26,775		18,353		17,724		28,577		31,413	
Notes receivable and accounts receivable	32,586		31,300		32,071		30,874		31,990	
Corporate income tax receivables	-		2,114		-		-		-	
Marketable securities	5,241		7,745		8,046		9,303		9,309	
Inventories	8,817		10,348		9,331		8,860		7,699	
Deferred tax assets	1,587		1,138		1,936		2,298		1,828	
Others	3,320		4,934		6,374		4,657		2,536	
Allowance for doubtful receivables	-139		-141		-304		-258		-14	
<b>Fixed assets</b>	<b>83,099</b>	<b>51.5</b>	<b>72,075</b>	<b>48.7</b>	<b>69,497</b>	<b>48.0</b>	<b>65,946</b>	<b>43.9</b>	<b>64,547</b>	<b>43.2</b>
Tangible assets	38,123	23.6	36,304	24.5	34,508	23.8	32,660	21.7	31,363	21.0
Building and structure	15,385		17,887		18,923		18,289		17,461	
Machinery, equipment and vehicles	880		857		872		805		717	
Tools, furnitures and fixtures	1,571		1,932		2,051		1,875		1,757	
Land	10,666		10,666		10,666		10,343		9,630	
Construction in progress	9,618		4,959		1,994		1,346		1,797	
Intangible assets	3,162	2.0	3,129	2.1	2,922	2.0	2,700	1.8	2,247	1.5
Patents	811		736		660		584		508	
Trademarks	900		839		779		717		657	
Goodwill	570		449		327		206		84	
Software	753		719		1,062		1,111		960	
Others	124		384		92		80		36	
Investments and other assets	41,814	25.9	32,641	22.1	32,065	22.2	30,585	20.4	30,936	20.7
Investment securities	11,196		10,819		10,069		11,425		11,997	
Investments in subsidiaries and affiliates	16,435		4,618		7,109		13,201		13,148	
Long-term loans	6,846		9,346		7,045		1		1	
Long-term deferred assets	2,225		2,052		1,909		1,669		1,868	
Otehrs	5,109		5,803		5,931		4,288		3,920	
<b>Total assets</b>	<b>161,289</b>	<b>100.0</b>	<b>147,869</b>	<b>100.0</b>	<b>144,677</b>	<b>100.0</b>	<b>150,240</b>	<b>100.0</b>	<b>149,311</b>	<b>100.0</b>

### Major changes at September 30, 2004 from March 31, 2004

**Notes receivable and accounts receivable:** Due to the increase of accounts receivables by sales increase.

**Inventories:** Due to the main decrease of finished goods and raw materials.

### Liabilities and shareholders' equity

At half-year/year end	9/2002		3/2003		9/2003		3/2004		9/2004	
	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)
<b>Current liabilities</b>	<b>44,240</b>	<b>27.4</b>	<b>38,055</b>	<b>25.7</b>	<b>20,735</b>	<b>14.3</b>	<b>24,337</b>	<b>16.2</b>	<b>20,044</b>	<b>13.4</b>
Accounts payable	4,325		5,122		3,640		4,436		4,773	
Current portion of convertible bonds	19,945		19,945		-		-		-	
Current portion of long-term debt	1,416		416		416		416		416	
Other payables	12,616		9,449		9,807		8,228		8,935	
Income taxes payable	2,443		-		3,664		8,075		3,120	
Consumption taxes payable	597		275		428		556		451	
Reserves	2,625		2,609		2,495		2,458		2,179	
Others	271		237		282		165		168	
<b>Noncurrent liabilities</b>	<b>9,641</b>	<b>6.0</b>	<b>9,530</b>	<b>6.5</b>	<b>19,199</b>	<b>13.3</b>	<b>19,102</b>	<b>12.7</b>	<b>19,263</b>	<b>12.9</b>
Long-term loans	2,894		2,686		12,478		12,270		12,062	
Reserve for retirement benefit	5,677		5,724		5,679		5,744		6,067	
Others	1,069		1,120		1,042		1,088		1,134	
<b>Total liabilities</b>	<b>53,882</b>	<b>33.4</b>	<b>47,586</b>	<b>32.2</b>	<b>39,934</b>	<b>27.6</b>	<b>43,440</b>	<b>28.9</b>	<b>39,321</b>	<b>26.3</b>
Common stock	6,214	3.8	6,214	4.2	6,214	4.3	6,214	4.1	6,227	4.2
Capital surplus reserves	6,908	4.3	6,908	4.6	6,908	4.8	6,908	4.6	6,922	4.6
Additional paid-in capital	6,908		6,908		6,908		6,908		6,922	
Other capital surplus reserves	-		-		-		0		0	
Appropriated retained earnings	93,996	58.3	90,143	61.0	94,232	65.1	92,291	61.4	95,640	64.1
Earnings reserve	1,551		1,551		1,551		1,551		1,551	
Reserve for retirement benefit	372		372		372		372		372	
Special depreciation reserve	180		180		325		325		294	
General reserve	84,109		84,109		84,109		84,109		84,109	
Unappropriated retained earnings	7,783		3,930		7,873		5,933		9,313	
Unrealized holding gains on securities	312	0.2	293	0.2	665	0.5	1,426	1.0	1,256	0.8
Treasury stock	-25	-0.0	-3,276	-2.2	-3,277	-2.3	-40	-0.0	-44	-0.0
<b>Total shareholders' equity</b>	<b>107,406</b>	<b>66.6</b>	<b>100,283</b>	<b>67.8</b>	<b>104,742</b>	<b>72.4</b>	<b>106,800</b>	<b>71.1</b>	<b>110,002</b>	<b>73.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>161,289</b>	<b>100.0</b>	<b>147,869</b>	<b>100.0</b>	<b>144,677</b>	<b>100.0</b>	<b>150,240</b>	<b>100.0</b>	<b>149,311</b>	<b>100.0</b>

### Major changes at September 30, 2004 from March 31, 2004

**Income taxes payable:** Decreased due to the payment of corporate tax in May, 2004.