

<Reference>

Sales details -Consolidated-

■ Three months ended December 31,2003

(Millions of yen)

	Domestic	Overseas	Total
Prescription pharmaceuticals	18,739	2,380	21,120
Ophthalmic	16,462	2,318	18,780
Anti-rheumatic	2,205	37	2,242
Other prescription pharmaceuticals	72	24	97
OTC pharmaceuticals	1,305	0	1,305
Medical devices	187	11	198
Others	248	960	1,209
Total net sales	20,480	3,353	23,833

■ Nine months ended December 31,2003

(Millions of yen)

	Domestic	Overseas	Total
Prescription pharmaceuticals	54,687	7,802	62,489
Ophthalmic	48,288	7,662	55,950
Anti-rheumatic	6,178	87	6,265
Other prescription pharmaceuticals	219	52	272
OTC pharmaceuticals	3,501	9	3,510
Medical devices	645	25	670
Others	892	2,425	3,317
Total net sales	59,725	10,262	69,987

■ Year ended March 31,2003

(Millions of yen)

	Domestic	Overseas	Total
Prescription pharmaceuticals	72,010	7,335	79,345
Ophthalmic	64,009	7,112	71,122
Anti-rheumatic	7,537	94	7,631
Other prescription pharmaceuticals	463	128	591
OTC pharmaceuticals	5,623	32	5,656
Medical devices	853	65	918
Others	1,245	3,086	4,332
Total net sales	79,732	10,519	90,252

■ Sales of major prescription pharmaceuticals

(Millions of yen)

Brand name Generic name/formulation	Therapeutic category	Year ended March 31, 2003 Actual	Three months ended June 30, 2003 Actual	Nine months ended December 31, 2003 Actual	Year ending March 31, 2004 Forecast
Prescription pharmaceuticals		79,345 (1.5)	21,120 —	62,489 —	79,700 (0.4)
Cravit levofloxacin/ophthalmic solution	Bacterial conjunctivitis	12,691 (2.9)	3,335 —	10,152 —	12,650 (Δ0.3)
Quixin levofloxacin/ophthalmic solution	Bacterial conjunctivitis	1,399 (156.7)	312 —	1,672 —	2,060 (47.2)
Tarivid ofloxacin/ophthalmic solution	Bacterial conjunctivitis	5,566 (Δ22.5)	1,267 —	3,937 —	4,730 (Δ15.0)
Timoptol timolol maleate/ophthalmic solution	Glaucoma	5,289 (Δ7.9)	1,303 —	3,779 —	4,730 (Δ10.6)
Timoptol XE timolol maleate/ long-acting ophthalmic solution	Glaucoma	2,477 (15.4)	736 —	2,048 —	2,730 (10.2)
Pivalephrine dipivefrine hydrochloride	Glaucoma	628 (Δ25.9)	129 —	385 —	470 (Δ25.2)
Detantol bunazosin hydrochloride	Glaucoma	1,498 (152.6)	538 —	1,464 —	1,980 (32.2)
Betimol timolol ophthalmic solution	Glaucoma	856 (Δ4.0)	506 —	1,350 —	1,340 (56.5)
Livostin levocabastine hydrochloride/ ophthalmic solution	Allergy	3,028 (36.1)	593 —	1,704 —	3,460 (14.3)
Alegysal pemirolast potassium/ophthalmic solution	Allergy	848 (Δ2.0)	182 —	506 —	780 (Δ8.0)
Alamast pemirolast potassium/ophthalmic solution	Allergy	199 (Δ3.9)	157 —	474 —	480 (141.2)
Hyalein sodium hyaluronate/ophthalmic solution	Corneal disease	13,156 (8.5)	3,696 —	10,576 —	13,340 (1.4)
Flumetholon fluorometholone/ophthalmic solution	Inflammation	5,234 (Δ9.6)	1,223 —	3,609 —	4,670 (Δ10.8)
Kary Uni pirenoxine/ophthalmic solution	Early-stage senile cataract	3,326 (7.6)	844 —	2,607 —	3,210 (Δ3.5)
Opegan Hi sodium hyaluronate/ adjuvant for ophthalmic operations	Adjuvant for ophthalmic operations	2,305 (Δ0.6)	609 —	1,798 —	2,310 (0.2)
BSS PLUS oxiglutatione/ophthalmic perfusate and lotion	Perfusate/ lotion	1,505 (Δ25.1)	365 —	1,078 —	1,310 (Δ13.0)
Rimatil bucillamine/tablet	Rheumatoid arthritis	4,751 (1.4)	1,373 —	3,818 —	4,840 (1.9)
Azulfidine EN salazosulfapyridine/enteric coated tablet	Rheumatoid arthritis	2,880 (10.5)	869 —	2,447 —	3,050 (5.9)
OTC pharmaceuticals		5,656 (Δ14.2)	1,305 —	3,510 —	4,650 (Δ17.8)

lower : year on year percentage change

■ Pipeline of prescription pharmaceuticals (Clinical study)

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched	
Levofloxacin	Cravit Quixin 0.5% Oftraquix 0.5% Levofloxacin 1.5%	Bacterial conjunctivitis Bacterial conjunctivitis Bacterial conjunctivitis Bacterial corneal ulcer	Daiichi Pharmaceuticals	Japan						Apr-00	
				USA						Nov-00	
				Europe							May-02
				USA						Apr-03	
Levofloxacin + prednisolone A	DE-094	Infectious keratitis	Daiichi Pharmaceuticals	USA							

Characteristics: Fluoroquinolone antibacterial agent. The adoption of a more highly concentrated formulation enables stronger antibacterial action. Also expected to be effective for intractable bacterial corneal ulcers. In Europe, the treatment has obtained marketing authorization in 11 countries and has been launched in five countries including Germany. Levofloxacin + prednisolone A is an ophthalmic combination solution of levofloxacin and steroid.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Pemirolast potassium	Alegysal Alamast Alamast	Allergic conjunctivitis	Mitsubishi Pharma	Japan						Apr-95
				USA						Jul-00
				France					Dec-99	

Characteristics: A mast cell stabilizer with superior efficacy on allergic conjunctivitis and vernal keratoconjunctivitis.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Sodium hyaluronate	Hyalein Hyalein	Corneal and conjunctival epithelial disorders Dry eye	Original	Japan						Jun-95
				USA					Preparation	

Characteristics: Ophthalmic solution containing sodium hyaluronate. Treats dry eye and corneal and conjunctivitis epithelial lesions caused by contact lenses, etc.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Ciclosporin	DE-076	Vernal keratoconjunctivitis	Novartis Pharma	Japan						Aug-03

Characteristics: An orphan drug. Expected to treat advanced vernal keratoconjunctivitis for which existing anti-allergic agents are not effective. Because it is an ophthalmic solution, virtually no generalized side effects are noted.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Tafluprost	DE-085	Glaucoma, Ocular hypertension	Co-development with Asahi Glass	Japan						
				USA/Europe					Preparation	

Characteristics: Prostaglandin-based treatment for glaucoma to reduce ocular pressure. Clinical trials will be conducted in parallel in the U.S., Europe and Japan. Expected to have greater efficacy in reducing ocular pressure than other prostaglandin-based agents. Can be stored at room temperature.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Olmesartan	DE-092	Glaucoma, Ocular hypertension	Sankyo (Japan)	Japan						
				USA/Europe					Preparation	

Characteristics: Angiotensin II receptor antagonist developed by Sankyo. Expected to become a glaucoma treatment with unique anti-ocular hypertensive action not seen in any existing treatments.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Lomerizine HCL	DE-090	Glaucoma	Nippon Organon	Japan						

Characteristics: A calcium antagonizing agent. Currently sold by Nippon Organon as a migraine treatment. Expected to become a new type of treatment for glaucoma with excellent safety to suppress the progression of visual field disorder by improving ocular circulation. In oral administration tablets.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Diquafosol tetrasodium	DE-089	Dry eye	Inspire Pharm.(USA)	Japan						

Characteristics: A treatment for dry eye that stimulates the eye surface to secrete tear fluid and moisture. Expected to be used in combination with existing dry eye treatments, and be effective for patients for whom existing treatments are insufficient.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
(Undetermined)	DE-096	Rheumatoid arthritis	Original	Japan						

Characteristics: An oral TNF inhibitor. Anti-rheumatic effect comparable to injectable biological agents has been observed in basic research.

■ Pipeline of prescription pharmaceuticals (Preparation for clinical study)

Generic name	Brand name/dev. code	Indication	Original/in-licensing
(Undetermined)	DE-098 (Anti-APO-1 antibody)	Rheumatoid arthritis	Centocor, Inc. (USA)
Characteristics: Joint injection that induces apoptosis in diseased joints of rheumatoid arthritis patients. Bulk pharmaceutical manufacturing process for actual production scale established, and drug development being studied.			
Generic name	Brand name/dev. code	Indication	Original/in-licensing
Bucillamine	Rimatil	Osteoarthritis (additional indication)	Original
Characteristics: Shown to be effective on joint inflammation due to osteoarthritis.			

■ Pipeline for medical devices

Product under development	Product name	Region
Intraocular lens	MD-13	Japan
Characteristics: Foldable intraocular lens using new material. Already launched in Europe by Lenstec and STAAR Surgical.		
Product under development	Product name	Region
Intraocular lens	MD-14	Japan and USA
Characteristics: Foldable intraocular lens using new material with high refractive index. Developed by Advanced Vision Science in the U.S.		

■ Changes from November 5, 2003

[Progress]

Brand name/dev. code	Indication	Region	Stage
Tafluprost/ DE-085	Glaucoma, Ocular hypertension	Japan	Ph II→Ph III
		USA/ Europe	Ph II→Preparation for Ph III
Olmesartan/ DE-092	Glaucoma, Ocular hypertension	USA/ Europe	Preparation for Ph I

■ Capital expenditures

(Millions of yen)

	Year ended March 31, 2003 Acutual	Three months ended December 31,2003 Acutual	Nine months ended December 31,2003 Acutual	Year ending March 31,2004 Forecast
Capital expenditures	4,134	413	2,148	3,590

■ Depreciation and amortization

(Millions of yen)

	Year ended March 31, 2003 Acutual	Three months ended December 31,2003 Acutual	Nine months ended December 31,2003 Acutual	Year ending March 31,2004 Forecast
Consolidated total	3,638	1,004	2,885	3,940
Manufacturing cost	1,549	427	1,196	1,650
Selling,general and administrative expenses	699	191	549	700
R&D expenses	1,224	378	1,116	1,520
Others	164	7	22	70

■ Lease expenses

(Millions of yen)

	Year ended March 31, 2003 Acutual	Three months ended December 31,2003 Acutual	Nine months ended December 31,2003 Acutual	Year ending March 31,2004 Forecast
Consolidated total	675	231	545	760
Manufacturing cost	588	204	451	630

■ R&D expenses

(Millions of yen)

	Year ended March 31, 2003 Acutual	Three months ended December 31,2003 Acutual	Nine months ended December 31,2003 Acutual	Year ending March 31,2004 Forecast
R&D expenses	12,719	2,769	9,014	13,000
Net sales ratio	14.1%	11.6%	12.9%	14.5%