

January 31, 2005

Fujisawa Revises Financial Forecasts for FY 03/2005

Japan, January 31, 2005 - Fujisawa Pharmaceutical Co., Ltd. today announced the revision of both consolidated and non-consolidated financial forecasts for the year ending March 2005 (FY03/2005), which were announced on November 4, 2004.

[Consolidated Financial Forecasts]

Unit : Million Yen

	Financial Results of the Previous year	Financial Forecasts for the Year ending March 2005		
	Results	Previous Forecasts (A)	Revised Forecasts (B)	(B-A)
Net Sales	395,401	409,000	409,000	0
Operating Income	56,702	67,000	78,000	11,000
Recurring Income	59,475	68,000	77,000	9,000
Net Income	41,468	32,000	32,000	0

[Non-consolidated Financial Forecasts]

Unit : Million Yen

	Financial Results of the Previous year	Financial Forecasts for the Year ending March 2005		
	Results	Previous Forecasts (A)	Revised Forecasts (B)	(B-A)
Net Sales	264,431	275,000	275,000	0
Operating Income	35,384	48,000	48,000	0
Recurring Income	49,191	71,000	71,000	0
Net Income	35,972	43,000	39,000	-4,000

Operating and recurring income on a consolidated basis are revised mainly due to the improvement in gross margin and lowered expenses, both selling, general and administrative expenses and research and development expenses, than the previous forecasts. Consolidated net income remains unchanged because increased recurring income is offset by increases in expenses expected to incur in relation to the upcoming merger with Yamanouchi Pharmaceutical Co., Ltd. from 15 billion yen to 25 billion yen. Research and development expenses are newly forecasted to be 72 billion yen, down from 75 billion yen of the previous forecasts.

As for non-consolidated financial forecasts, net sales, operating income and recurring income are expected to be almost in line with the previous forecasts. Non-consolidated net income is revised taking increases in the merger-related expenses into account to 20 billion yen from 13 billion yen.

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