

**NOTICE OF REVISION OF THE BUSINESS RESULTS FORECAST**

## 1. Revised business results forecast for the Fiscal Year ending March 31, 2003

The Company revised the business results forecast on consolidated and non-consolidated bases for the six months ended September 30, 2002 and the year ending March 31, 2003 (from April 1, 2002 to March 31, 2003) made public on May 16, 2002, at the time of the announcement of business results for the fiscal year ended March 31, 2002, and it is hereby amended as follows:

## &lt;Consolidated Business Results Forecast for the Fiscal Year ending March 31, 2003&gt;

## · Six Months ended September 30, 2002 (April 1, 2002 - September 30, 2002)

	Net Sales	Operating Income	Ordinary Income	Net Income
	(¥ mil.)	(¥ mil.)	(¥ mil.)	(¥ mil.)
Previous forecast (A)	228,000	37,500	38,000	20,000
Revised forecast (B)	232,600	50,800	48,500	28,900
Increase or decrease (B)-(A)	4,600	13,300	10,500	8,900
Percentage of increase or decrease (%)	2.0	35.5	27.6	44.5
Reference: Results for the six months ended September 30, 2001:	220,258	44,002	46,630	27,573

## · Fiscal Year ending March 31, 2003 (April 1, 2002 - March 31, 2003)

	Net Sales	Operating Income	Ordinary Income	Net Income
	(¥ mil.)	(¥ mil.)	(¥ mil.)	(¥ mil.)
Previous forecast (A)	510,000	95,000	96,000	51,000
Revised forecast (B)	516,000	106,000	104,000	60,000
Increase or decrease (B)-(A)	6,000	11,000	8,000	9,000
Percentage of increase or decrease (%)	1.2	11.6	8.3	17.6
Reference: Results for the fiscal year ended March 31, 2002:	481,327	94,291	100,021	55,160

*Note:*

*The foregoing are forward-looking statements based on a number of assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties. Actual financial results may differ materially depending on a number of factors including, adverse economic conditions, currency exchange rate fluctuations, adverse legislative and regulatory developments, delays in new product launches, pricing and product initiatives of competitors, the inability of the Company or its subsidiaries or affiliates to market existing and new products effectively, interruptions in production, infringements of the Company's intellectual property rights of the Company or its subsidiaries or affiliates and the adverse outcome of material litigation.*

<Non-Consolidated Business Results Forecast for the Fiscal Year ending March 31, 2003>

· Six Months ended September 30, 2002 (April 1, 2001 - September 30, 2002)

	Net Sales	Operating Income	Ordinary Income	Net Income
	(¥ mil.)	(¥ mil.)	(¥ mil.)	(¥ mil.)
Previous forecast (A)	162,000	40,000	40,500	22,000
Revised forecast (B)	170,900	50,800	51,400	28,900
Increase or decrease (B)-(A)	8,900	10,800	10,900	6,900
Percentage of increase or decrease (%)	5.5	27.0	26.9	31.4
Reference: Results for the six months ended September 30, 2001:	153,981	38,998	39,636	21,007

· Fiscal Year ending March 31, 2003 (April 1, 2002 - March 31, 2003)

	Net Sales	Operating Income	Ordinary Income	Net Income
	(¥ mil.)	(¥ mil.)	(¥ mil.)	(¥ mil.)
Previous forecast (A)	332,000	85,000	86,000	46,500
Revised forecast (B)	345,000	95,500	96,000	55,500
Increase or decrease (B)-(A)	13,000	10,500	10,000	9,000
Percentage of increase or decrease (%)	3.9	12.4	11.6	19.4
Reference: Results for the fiscal year ended March 31, 2002:	318,763	83,091	85,216	42,282

Note:

*The foregoing are forward-looking statements based on a number of assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties. Actual financial results may differ materially depending on a number of factors including, adverse economic conditions, currency exchange rate fluctuations, adverse legislative and regulatory developments, delays in new product launches, pricing and product initiatives of competitors, the inability of the Company to market existing and new products effectively, interruptions in production, infringements of the Company's intellectual property rights and the adverse outcome of material litigation.*

## 2. Principal Reasons for the Revision

### <Principal Reasons for the Revision of the Consolidated Business Results Forecast>

- (1) Principal reasons for the upward revision of the consolidated business results forecast for the six months ended September 30, 2002:
  - Increase in net sales attributable to the increase in non-consolidated net sales and the growth in overseas sales of Harnal (a treatment for the functional symptoms of benign prostatic hyperplasia), among others.
  - Magnitude of revision of the net sales of consolidated business results forecast is less than that of non-consolidated one due to elimination of internal transactions among group companies which are included in non-consolidated one, and non-attainment of business forecast set at the start of the period by a part of group companies, among others.
  - Increase in income attributable to the growth in gross profit, the decrease in R&D expenses due partly to the postponement of R&D expenses originally scheduled to be spent during the six months ended September 30, 2002 to the latter six months ending March 31, 2003 as well as the reduction in selling, general and administrative expenses except R&D expenses of overseas subsidiaries, among others. (There is no change in the estimated aggregate amount of R&D expenses for the year ending March 31, 2003.)
  
- (2) Principal reasons for the upward revision of the consolidated business results forecast for the fiscal year ending March 31, 2003:
  - Increase in net sales based on the estimation that the non-consolidated net sales for the fiscal year ending March 31, 2003 will increase, and overseas sales of Harnal will grow, among others.
  - Magnitude of revision of the net sales of consolidated business results forecast is less than that of non-consolidated one due to elimination of internal transactions among group companies which are included in non-consolidated one, and non-attainment of business forecast set at the start of the period by a part of group companies, among others.
  - Increase in income based on the estimation that gross profit will grow and selling, general and administrative expenses except R&D expenses of overseas subsidiaries will reduce, among others.

### <Principal Reasons for the Revision of the Non-Consolidated Business Results Forecast>

- (1) Principal reasons for the upward revision of the non-consolidated business results forecast for the six months ended September 30, 2002:
  - Increase in net sales attributable to the growth of principal products in Japan such as Advaferon (a treatment for chronic hepatitis C virus infections) and Harnal, and to the growth of exports.
  - Increase in income attributable to the growth in gross profit resulting from the above-stated increase in net sales as well as the decrease in R&D expenses due partly to the postponement of R&D expenses originally scheduled to be spent during the six months ended September 30, 2002 to the latter six months ending March 31, 2003, among others.

(2) Principal reasons for the upward revision of the non-consolidated business results forecast for the fiscal year ending March 31, 2003:

- Increase in net sales based on the estimation that the principal products such as Advaferon and Harnal will increase and exports will grow, like the results of the six months ended September 30, 2002, among others.
- Increase in income based on the estimation that gross profit will grow, among others.

The upward revision of net sales and incomes of non-consolidated and consolidated business results forecasts partly reflects the influence of foreign exchange fluctuations.

- End -