

Yamanouchi Pharmaceutical Co., Ltd. (the "Company")

NOTICE OF REVISION OF THE BUSINESS RESULTS FORECAST

1. Revised business results forecast for the Fiscal Year ending March 31, 2004

The Company revised as follows the business results forecast on consolidated and non-consolidated bases for the six months ended September 30, 2003 and the year ending March 31, 2004 (from April 1, 2003 to March 31, 2004) made public on May 15, 2003 at the time of the announcement of business results for the fiscal year ended March 31, 2003:

<Consolidated Business Results Forecast for the Fiscal Year ending March 31, 2004>

Six Months ended September 30, 2003 (April 1, 2003 - September 30, 2003)

	Net Sales	Operating Income	Ordinary Income	Net Income
	(¥ mil.)	(¥ mil.)	(¥ mil.)	(¥ mil.)
Previous forecast (A)	244,000	51,000	52,000	30,000
Revised forecast (B)	239,200	48,000	47,900	28,900
Increase or decrease (B)-(A)	-4,800	-3,000	-4,100	-1,100
Percentage of increase or decrease (%)	-2.0	-5.9	-7.9	-3.7
Reference: Results for the six months ended September 30, 2002	232,618	50,822	48,576	28,966

Fiscal Year ending March 31, 2004 (April 1, 2003 - March 31, 2004)

	Net Sales	Operating Income	Ordinary Income	Net Income
	(¥ mil.)	(¥ mil.)	(¥ mil.)	(¥ mil.)
Previous forecast (A)	526,000	109,000	111,000	62,000
Revised forecast (B)	520,000	106,000	106,000	62,000
Increase or decrease (B)-(A)	-6,000	-3,000	-5,000	0
Percentage of increase or decrease (%)	-1.1	-2.8	-4.5	0
Reference: Results for the fiscal year ended March 31, 2003	506,602	105,697	103,769	59,858

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, 2004>

Six Months ended September 30, 2003 (April 1, 2002 - September 30, 2003)

	Net Sales	Operating Income	Ordinary Income	Net Income
	(¥ mil.)	(¥ mil.)	(¥ mil.)	(¥ mil.)
Previous forecast (A)	178,000	49,500	49,500	30,500
Revised forecast (B)	175,000	48,400	49,100	30,800
Increase or decrease (B)-(A)	-3,000	-1,100	-400	300
Percentage of increase or decrease (%)	-1.7	-2.2	-0.8	1.0
Reference: Results for the six months ended September 30, 2002	170,988	50,835	51,429	28,946

Fiscal Year ending March 31, 2004 (April 1, 2003 - March 31, 2004)

	Net Sales	Operating Income	Ordinary Income	Net Income
	(¥ mil.)	(¥ mil.)	(¥ mil.)	(¥ mil.)
Previous forecast (A)	356,000	96,000	96,000	58,000
Revised forecast (B)	351,000	94,000	95,000	62,000
Increase or decrease (B)-(A)	-5,000	-2,000	-1,000	4,000
Percentage of increase or decrease (%)	-1.4	-2.1	-1.0	6.9
Reference: Results for the fiscal year ended March 31, 2003	346,586	97,249	98,916	58,276

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 downward revision of the consolidated business results forecast for the six months ended September 30, 2003:
 - Sales
 - Non-consolidated sales decreased compared to the earlier forecast. In addition, sales of bulk and royalties income for Harnal (tamsulosin, a treatment for the functional symptoms of benign prostatic hyperplasia) decreased compared to the earlier forecast due to delay in shipment to overseas licensees.
 - Income
 - R&D expenses increased on a non-consolidated basis. R&D expenses also increased overseas. As a result, total R&D expenses increased compared to the earlier forecast.
- (2) Principal reasons for the downward revision of the consolidated business results forecast for the fiscal year ending March 31, 2004:
 - Sales
 - Non-consolidated sales will fall short of the earlier forecast.
 - Income
 - R&D expenses on a non-consolidated basis will increase compared to the earlier forecast.

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

- (1) Principal reasons for the downward revision of the non-consolidated business results forecast for the six months ended September 30, 2003:
 - Sales
 - Sales of the hepatitis C treatment Advaferon (interferon alfacon-1) and the long acting angiotensin II receptor blocker Micardis (telmisartan) decreased compared to the earlier forecast, although sales of the hypercholesterolemia treatment Lipitor (atorvastatin) and Harnal exceeded the earlier forecast.
 - Income
 - R&D expenses increased compared to the earlier forecast due to factors such as the acceleration of Phase III clinical trials of the treatment for urinary frequency and urinary incontinence YM905 despite efforts to reduce selling, general and administrative expenses.
- (2) Principal reasons for the downward revision of the non-consolidated business results forecast for the fiscal year ending March 31, 2004:
 - Sales
 - Sales of Advaferon and Micardis are expected to fall short of the earlier forecast although those of Lipitor are expected to exceed the earlier forecast.
 - Income
 - Despite continuing efforts to reduce selling, general and administrative expenses as in the first half of the fiscal year, R&D expenses are expected to increase compared to the earlier forecast due to factors such as the acceleration of Phase III clinical trials of YM905.

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

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