March 24, 2010

Revision of Earnings Forecast

This is to notify that the earnings forecast for the entire business year ending in February 2010 announced on April 7th, 2009 has been revised as follows.

1. Revision of the earnings forecast

(1) Revision of the consolidated earnings forecast for the business year ending in February 2010 (March 1, 2009 to February 28, 2010).

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
Previous forecast (A)	128,600	32,800	33,100	19,800	¥225.84
Revised forecast (B)	129,800	28,500	31,200	18,400	¥210.50
Amount of change (B-A)	+ 1,200	Δ 4,300	Δ 1,900	Δ 1,400	
Rate of change (%)	+ 0.9%	Δ 13.1%	Δ 5.7%	Δ 7.1%	
Earnings of the previous term (FY ending Feb. 2009)	124,655	32,532	32,476	19,121	¥215.61
Comparison to the previous corresponding period (%)	104.1%	87.6%	96.1%	96.3%	

(2) Revision of the non-consolidated earnings forecast for the business year ending in February 2010 (March 1, 2009 to February 28, 2010)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
Previous forecast (A)	122,400	32,100	32,500	19,600	¥223.49
Revised forecast (B)	120,800	31,400	32,000	19,900	¥227.59
Amount of change (B-A)	Δ 1,600	Δ 700	Δ 500	+ 300	
Rate of change (%)	Δ 1.3%	Δ 2.2%	Δ 1.6%	+ 1.5%	
Earnings of the previous term (FY ending Feb. 2009)	118,143	31,893	32,177	19,252	¥217.03
Comparison to the previous corresponding period (%)	102.2%	98.5%	99.5%	103.4%	

2. Reasons for revision

Hisamitsu Pharmaceutical Co., Inc. acquired Noven Pharmaceuticals, Inc. (hereinafter referred to as "Noven") on August 28, 2009, and turned it into a consolidated subsidiary. As a result of this acquisition, earnings of Noven during September – December period will be added to our earnings forecast for the business year ending in February 2010, and net sales of the Company will increase by 2.4 billion yen and operating income, ordinary income and net income will decrease by 2.0 billion yen, 200 million yen and 100 million yen, respectively. In addition, operating income, ordinary income and net income will decrease about by 1.4 billion, respectively, on a consolidated basis due mainly to in-process R&D expenses and amortization of goodwill.

On a non-consolidated basis, our sales of Mohrus Tape line of ethical pharmaceuticals were affected by consumers' holding-off of purchase in February in anticipation of NHI price revision to an extent greater than anticipated. In addition, sales of other ethical pharmaceuticals and OTC medicines were influenced by weak consumption and inventory adjustments, etc. Consequently, our net sales, operating income and ordinary income are forecasted to underachieve our projections by 1.6 billion yen, 700 million yen and 500 million yen, on a non-consolidated basis. Net income is expected to overachieve our projections by 300 million yen on a non-consolidated basis due to share of expense for consigned R&D and development license revenues, etc.

As a result, consolidated earnings forecast for FY2009 ending February 28, 2010, has been revised from the values announced on April 7, 2009 as in the following: net sales will increase by 1.2 billion yen to 129.8 billion yen, operating income will decrease by 4.3 billion yen to 28.5 billion yen, ordinary income will drop by 1.9 billion yen to 31.2 billion yen and net income will fall by 1.4 billion yen to 18.4 billion yen.

*The numerical figures forecasted for the earnings, etc., shown above have been formulated based on information that could be obtained as of the date of announcement. The actual earnings may differ from the forecasted value because of a variety of factors that may come into play from hereon.