

Notice Regarding Performance Forecasts

Based on the recent trend of our business performance, we revised our business forecasts we announced on April 8, 2008 as follows.

1. Revision of performance forecast figures for the current fiscal year

(1) Revision of consolidated performance forecast figures for an interim period ending August 31, 2008 (March 1, 2008 – August 31, 2008)

(Unit: million yen)

	Sales	Operating profit	Ordinary income	Net income
Previous announced forecast (A)	64,000	14,500	14,800	9,300
Revised forecast (B)	63,500	16,800	17,500	11,200
Amount of change (B-A)	△ 500	+ 2,300	+ 2,700	+ 1,900
Rate of change (%)	△ 0.8%	+ 15.9%	+ 18.2%	+ 20.4%
Results for previous period (Interim period ending August 2007)	60,383	14,127	14,620	8,860

(2) Revision of individual performance forecast figures for an interim period ending August 31, 2008 (March 1, 2008 – August 31, 2008)

(Unit: million yen)

	Sales	Operating profit	Ordinary income	Net income
Previous announced forecast (A)	60,500	14,100	14,300	9,000
Revised forecast (B)	60,300	16,400	17,300	11,200
Amount of change (B-A)	△ 200	+ 2,300	+ 3,000	+ 2,200
Rate of change (%)	△ 0.3%	+ 16.3%	+ 21.0%	+ 24.4%
Results for previous period (Interim period ending August 2007)	57,366	13,677	14,001	8,547

(3) Revision of full-year consolidated performance forecast figures for the Year Ending February 2009 (March 1, 2008 – February 28, 2009)

(Unit: million yen)

	Sales	Operating profit	Ordinary income	Net income
Previous announced forecast (A)	127,000	30,000	30,700	19,400
Revised forecast (B)	127,000	30,000	31,000	19,500
Amount of change (B-A)	+ 0	+ 0	+ 300	+ 100
Rate of change (%)	+ 0.0%	+ 0.0%	+ 1.0%	+ 0.5%
Results for previous period (Year ending February 2008)	119,061	29,071	30,204	18,663

(4) Revision of full-year individual performance forecast figures for the Year Ending February 2009 (March 1, 2008 – February 28, 2009)

(Unit: million yen)

	Sales	Operating profit	Ordinary income	Net income
Previous announced forecast (A)	120,000	29,000	29,500	18,500
Revised forecast (B)	120,000	29,000	30,100	19,000
Amount of change (B-A)	+ 0	+ 0	+ 600	+ 500
Rate of change (%)	+ 0.0%	+ 0.0%	+ 2.0%	+ 2.7%
Results for previous period (Year ending February 2008)	112,635	28,265	28,909	17,487

2. Reason for revisions

1) Sales

While sales of the pharmaceuticals and related products segment dropped 3.9% as a result of a revision of the National Health Insurance prices, the segment grew steadily centering around Mohrus Tapes products, analgesic antiphlogistics. However, sales figures of Consumer Health Product division and International Business division are expected to fall below forecast figures due to intensified competitions in the market and lagged timing of the start of selling new products, respectively.

As a result, we expect sales for the first half year will be slightly lower than forecast figures but in the full year we expect to reach the original forecast figures as we plan to start marketing new products during the period.

2) Revenue

With respect to expenses, there were lags arose in the timing of recording expenses.

With respect to non-operating income/loss, payment of dividends as a result of liquidation of a subsidiary company increased more than we predicted.

With respect to extraordinary income/loss, we recorded a one-time payment as a result of sales alliance for HFT-290 (a transdermal absorption-type continuous-action drug to treat cancer pain) and a milestone income.

As a result of the foregoing, revenues as well as operating profit, ordinary income, and net profit for the first half year are expected to significantly exceed forecast figures.

Because we plan to increase sales expenses, etc. in response to the lags arose in the timing of recording expenses and intensifying competitions in the market environment during the second half year, we expect in the full-year to meet the forecast figures as planned.

* The performance forecast figures stated in the above are prepared based on available information at the time of this announcement and actual results may vary from those forecast figures due to various factors arising in the future.

Contact: IR department
Hisamitsu Pharmaceutical Co., Inc.
+81-3-5293-1714

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