

Modification of Earnings Forecast
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This is to notify that the earnings forecast for the entire business year ending in February 2009 announced on September 25, 2008 will be modified as follows.

1. Modification of the earnings forecast values

(1) Modification of the consolidated earnings forecast values for the business year ending in February 2009 (March 1, 2008 to February 28, 2009).

(millions of yen)

	Sales	Operating profit	Ordinary profit	Current net profit
Previously-announced forecast (A)	127,000	30,000	31,000	19,500
Currently-modified forecast (B)	124,500	32,100	32,000	18,800
Increased or decreased amount (B-A)	Δ 2,500	+ 2,100	+ 1,000	Δ 700
Increase-decrease rate (%)	Δ 2.0%	+ 7.0%	+ 3.2%	Δ 3.6%
Earnings of the previous term (FY ending Feb. 2008)	119,061	29,071	30,204	18,663
Comparison to the same period of the previous year (%)	104.6%	110.4%	105.9%	100.7%

(2) Modification of the individual earnings forecast values for the business year ending in February 2009 (March 1, 2008 to February 29, 2009)

(millions of yen)

	Sales	Operating profit	Ordinary profit	Current net profit
Previously-announced forecast (A)	120,000	29,000	30,100	19,000
Currently-modified forecast (B)	118,000	31,800	32,000	19,200
Increased or decreased amount (B-A)	Δ 2,000	+ 2,800	+ 1,900	+ 200
Increase-decrease rate (%)	Δ 1.7%	+ 9.7%	+ 6.3%	+ 1.1%
Earnings of the previous term (FY ending Feb. 2008)	112,635	28,265	28,909	17,487
Comparison to the same period of the previous year (%)	104.8%	112.5%	110.7%	109.8%

2. Reasons for the modification

1) Sales

Sales of Mohrus Tape products, which are ethical drugs, were more or less according to plan. Sales of other ethical drugs as well as OTC drugs, however, are expected to fall short of the planned values because of the slumping consumption, intensification of market competition, inventory adjustments, and other factors.

As for consolidated sales, although local currency-based sales of overseas subsidiaries remained strong, yen-based sales are expected to drop because of the sharp fluctuations in the currency rates.

2) Revenue

Marketing costs and administrative expenditure are expected to fall sharply below the planned values.

Non-operating revenue and expenditure are anticipated to fall short of the planned value as a result of exchange-rate losses that have occurred in association with sharp currency

fluctuations.

Extraordinary revenue and expenditure are anticipated to fall short of the planned value as a result of securities' valuation losses that have occurred in association with the drastic aggravation of the stock market.

Because of these factors, regarding annual revenue, both the consolidated and independent operating profit and ordinary profit are anticipated to surpass the planned values. Net profit is expected to surpass the planned level for Hisamitsu singly.

*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.