

### 3. Descriptive Information on Forecasts of Consolidated Results

The outlook for consolidated result for the full year of fiscal 2008 is as follows:

|                  |          | <i>Billions of yen</i> |                |
|------------------|----------|------------------------|----------------|
|                  |          | Year-on-year change    |                |
| Net sales        | ¥1,560.0 | Increase               | ¥185.2 (13.5%) |
| Operating income | ¥270.0   | Decrease               | ¥153.1 (36.2%) |
| Ordinary income  | ¥290.0   | Decrease               | ¥246.4 (45.9%) |
| Net income       | ¥195.0   | Decrease               | ¥160.5 (45.1%) |

**[Net sales]**

Despite unfavorable impact of strong yen, consolidated net sales are expected to increase from the previous year due to inclusion of TAP and Millennium into the consolidation, in addition to growth of sales of Actos, Takepron and Embrel (a drug for rheumatoid arthritis) in Japan.

**[Operating income]**

Although gross profit will increase from the previous year by sales growth, operating income will decrease due to R&D expenses and amortization of intangible assets in connection with the Millennium acquisition.

**[Ordinary income, net income]**

Ordinary income and net income are expected to decrease from the previous year due to non-operating income decrease by reason of a decrease in interest income resulting from a significant decrease in cash at hand and lower interest rates, in addition to decrease in operating income.

**[Assumptions for the Outlook]**

The foreign exchange rates for the latter half of fiscal 2008 are assumed to be US\$1 = ¥95 and 1 euro = ¥125.

**[Forward looking statements]**

Our operations are exposed to various risks at present and in the future, such as changes of the business environment and foreign exchange rate fluctuation.

These projections for operating results are based on information currently available to the management. The Company will always try to disclose in a timely manner when management of the Company believes significant impacts to our consolidated results may occur by changes of the environment or other events.

### 4. Others

**(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries resulting in the change in consolidation scope):**

No applicable event occurred during the period.

**(2) Adoption of simplified accounting treatment and special accounting treatments for quarterly consolidated financial statements:**

**1. Simplified accounting treatment on valuation of inventories**

At the end of the second quarter, physical inventory was not taken. Values of inventories were calculated by using a reasonable method based on the actual balance of inventories at the end of the previous year.

**2. Special accounting treatments for quarterly consolidated financial statements**

The effective tax rate expected to be imposed on pretax net income (after tax effect accounting) applicable to the tax year in which this second quarter is included was estimated based on reasonable assumptions. Then, tax expenses for the first quarter were calculated by multiplying the pretax net income for the quarter by the estimated effective tax rate. The deferred income taxed were included in the “corporate income tax and other taxes.”