


Highlights of Business Results

(Year ending March 31, 2008)


May 20, 2008

 **日本ケミファ株式会社**
Nippon Chemiphar Co., Ltd. (4539)

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Consolidated Sales, Income

(¥mn)

	FY2006		FY2007			FY2008 (Forecast)		
	Amount	Distrib. (%)	Amount	Distrib. (%)	YOY (%)	Amount	Distrib. (%)	YOY (%)
Sales	20,966	100.0	20,918	100.0	(0.2)	23,900	100.0	14.3
Excluding WL*	20,208		20,918		3.5			
Operating income	1,395	6.7	1,170	5.6	(16.1)	1,400	5.9	19.6
Excluding WL*	1,192		1,170		(1.8)			
Ordinary income	1,143	5.5	1,008	4.8	(11.9)	1,200	5.0	19.0
Excluding WL*	936		1,008	71	7.6			
Net income	366	1.7	390	1.9	6.6	600	2.5	53.8

* Welllife Co., Ltd

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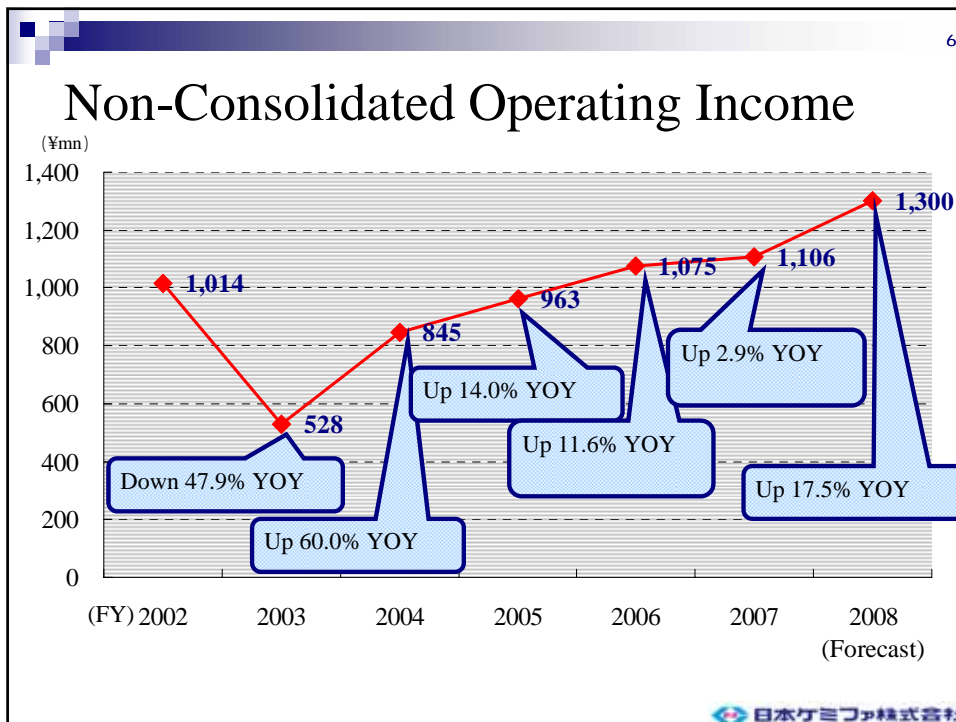
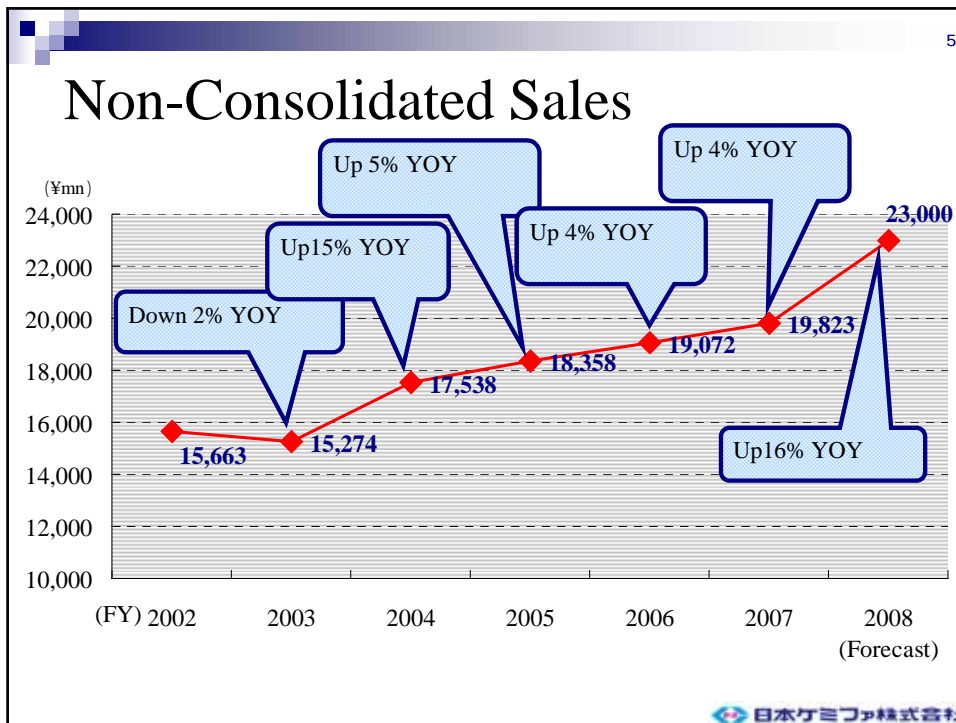
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Non-Consolidated Sales and Income

(¥mn)

	FY2006		FY2007			FY2008 (Forecast)		
	Amount	Distrib. (%)	Amount	Distrib. (%)	YOY (%)	Amount	Distrib. (%)	YOY (%)
Sales	19,072	100.0	19,823	100.0	3.9	23,000	100.0	16.0
Cost of sales	40.9%		41.9%		+1.0P			
SG&A expenses	53.5%		52.5%		(1.0P)			
Operating income	1,075	5.6	1,106	5.6	2.9	1,300	5.7	17.5
Ordinary income	875	4.6	903	4.6	3.2	1,070	4.7	18.4
Net income	988	5.2	311	1.6	(68.5)	500	2.2	60.7

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Sales of Core Products, Forecasts

(¥mn)

	FY2006		FY2007				FY2008 Forecast			
	Amount	Distrib. (%)	Amount	Distrib. (%)	YOY (Amount)	YOY (%)	Amount	Distrib. (%)	YOY (Amount)	YOY (%)
Uralyt	3,083		3,474		391	12.7	3,650		176	
Soleton	4,097		3,957		(140)	(3.4)	3,750		(207)	
Calvan	779		724		(55)	(7.1)	700		(24)	
Core Products Total	7,959	46.9	8,155	45.7	196	2.5	8,100	38.4	(55)	(0.7)
Generics Total	9,013	53.1	9,680	54.3	667	7.4	13,000	61.6	3,320	34.3
Pharmaceuticals Total	16,972	100.0	17,835	100.0	863	5.1	21,100	100.0	3,265	18.3


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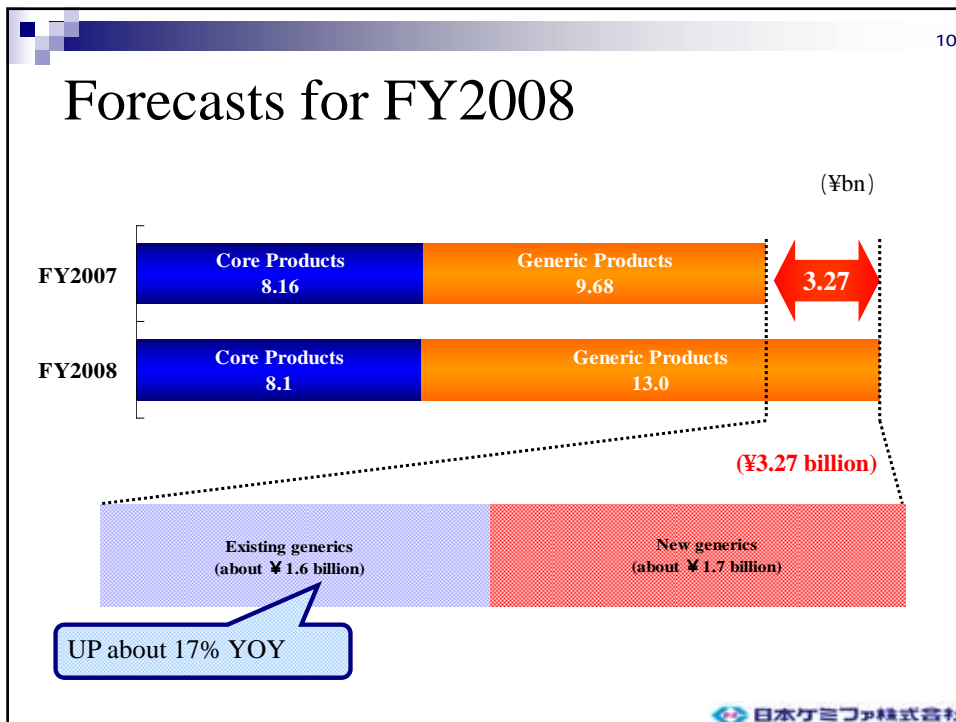
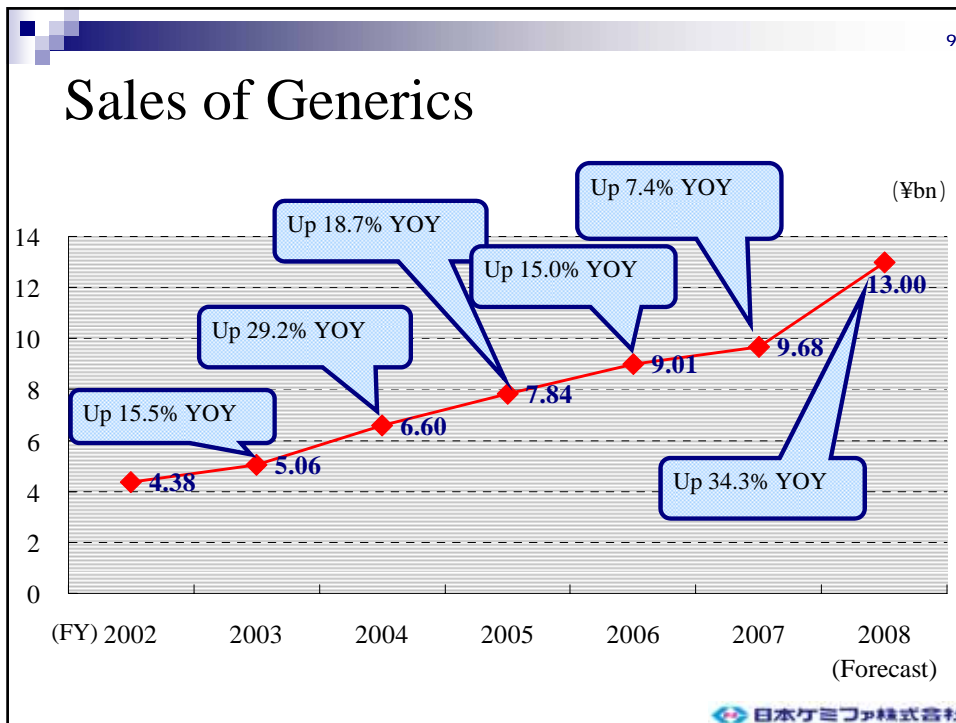
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Sales of Generics, Forecasts

(¥mn)

	FY2006		FY2007				FY2008 Forecast			
	Amount	Distrib. (%)	Amount	Distrib. (%)	YOY (Amount)	YOY (%)	Amount	Distrib. (%)	YOY (Amount)	YOY (%)
Pravastatin	1,203		1,224		21	1.7	1,300		76	6.2
Voglibose	445		559		114	25.6	800		241	43.1
Lansoprazole	12		127		114	10.3X	530		403	4.2X
Others	7,353		7,770		418	5.7	10,370		2,600	33.5
Generics Total	9,013	53.1	9,680	54.3	667	7.4	13,000	61.6	3,320	34.3
Core Products Total	7,959	46.9	8,155	45.7	196	2.5	8,100	38.4	(55)	(0.7)
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Enhancement of Generics Lineup

	FY2006	FY2007	FY2008 (Forecast)
New Products	12	16	18

Planned FY2008 total: 148 products.

Amlodipine-Chemiphar will be launched in July 2008
Original pharmaceuticals: Norvasc (Pfizer), Amulodine (Dainippon Sumitomo Pharma)

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Support for DPC* Hospitals

Co-host DPC Management Forum

2008 Schedule

January 19
5th DPC Management Forum
(Tokyo)

March 15
DPC Management Forum, Kyushu regional meeting
(Fukuoka)

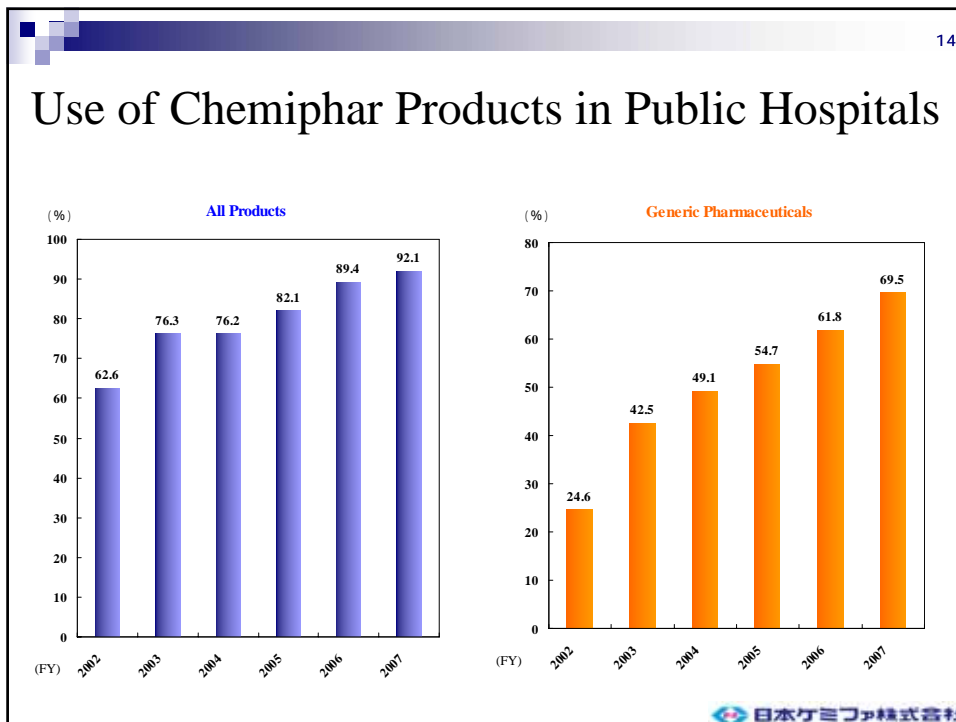
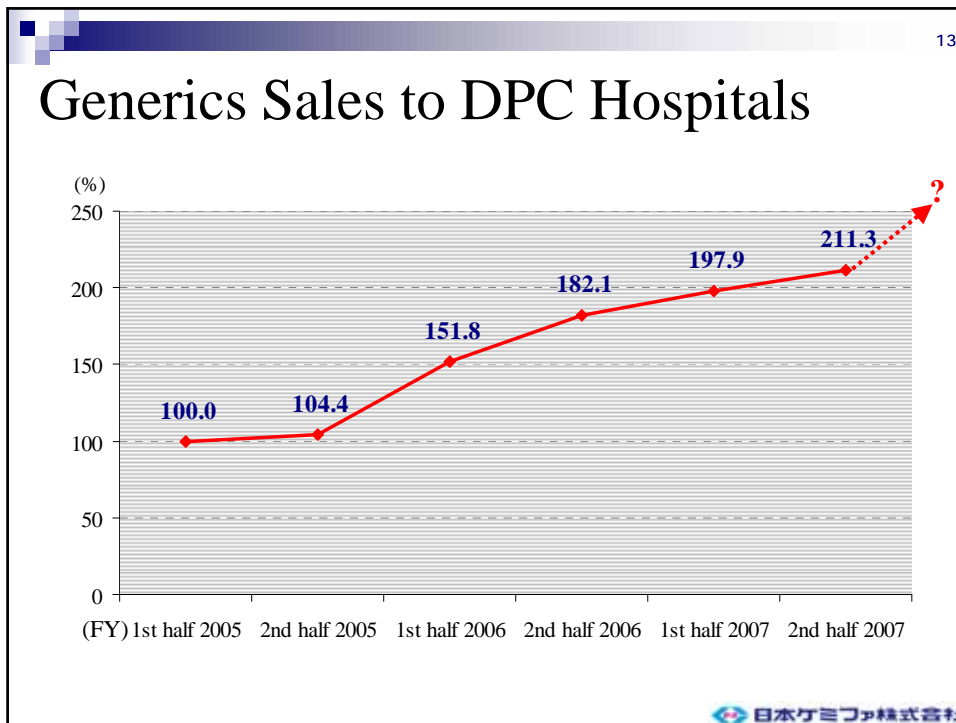
July 20
6th DPC Management Forum
(Tokyo)

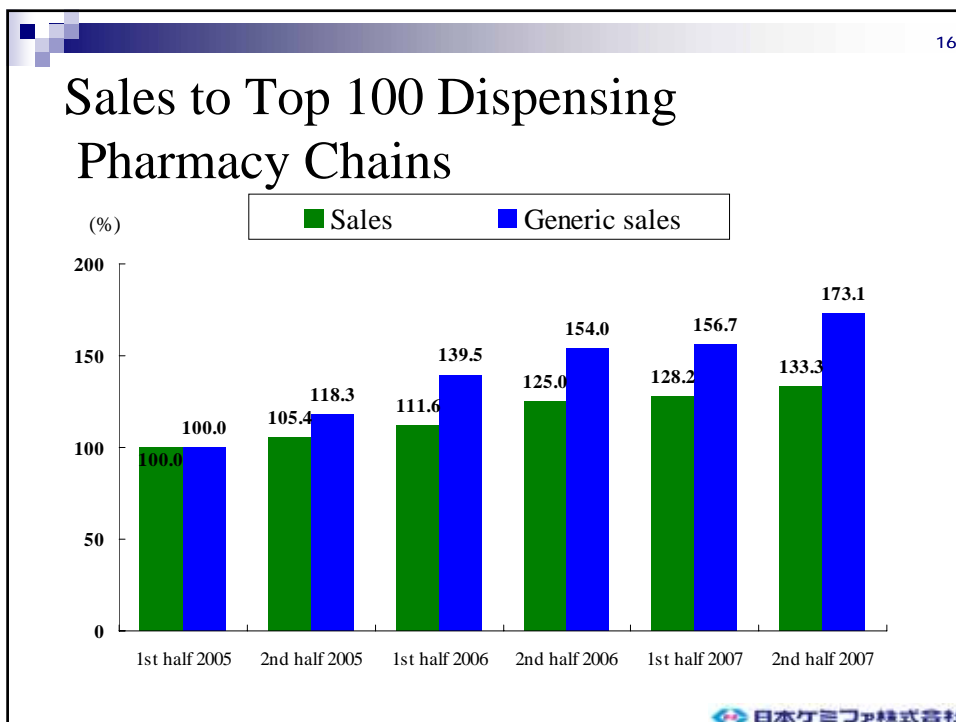
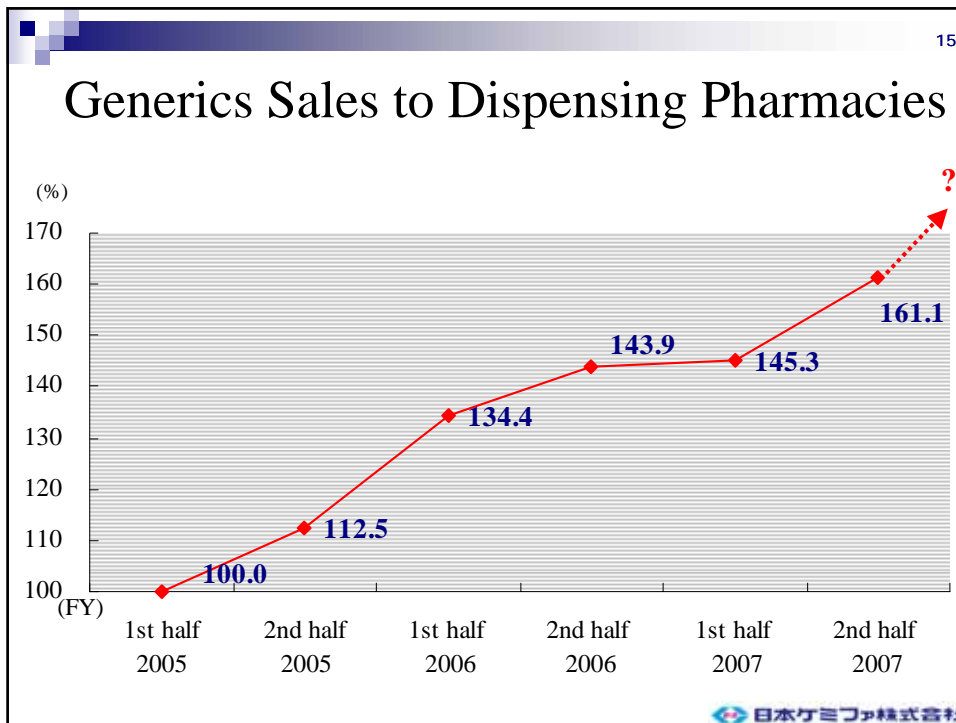
September 6
DPC Management Forum, Nagoya regional meeting
(Nagoya)



Some 250 people attended the Kyushu regional meeting

*DPC sets fixed per diem hospitalization fee.






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FY2008 Operating Income Forecast (¥bn)

	FY2008 Mid-Term Management Plan	FY2008 Forecast	Change	FY2009 Mid-Term Management Plan
Sales	24.5	23.9	(0.6)	28.0
Sales of generics	13.5	13.0	(0.5)	16.6
Operating income	1.8	1.4	(0.4)	2.32
Operating income ratio	7.3%	5.9%	(1.4P)	8.3%

Reasons for decreases


- Operating income is down ¥200mn because revised sales forecast decreased ¥600mn.
- Increase of sales personnel to 300 originally planned for FY2009.
- Forecast personnel expenses and sales promotion costs up ¥200mn.
- Forecast FY2008 SG&A expense increase is temporary.

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Drivers to Expand Generics Market 1

- **Greater number of DPC hospitals**
 - 360 DPC hospitals
 - ◆ 534 DPC hospitals (April 2008)
 - ◆ 718 DPC hospitals (July 2008)
 - Starting in 2009, up to 1,400 hospitals may be granted DPC status.

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Drivers to Expand Generics Market 2

■ Government steps to expand generics market

- Further incentives for dispensing pharmacies.
 - ◆ New prescription form.
 - ◆ Points system for dispensing generics.
 - ◆ Pharmacists obliged to explain, promote generics to patients.
 - ◆ Makers required to distribute generics via wholesalers to ensure stable supply.

Drivers to Expand Generics Market 3

■ Launch of blockbuster generic product

- Launch of Amlodipin, which is expected to be the generic product with the largest market.

Note about Forward-Looking Statements and Forecasts

Statements made in this highlights of business results with respect to current plans, estimates, strategies and beliefs, and other statements of Nippon Chemiphar that are not historical facts are forward-looking statements about the future performance of Nippon Chemiphar. These statements are based on management's current assumptions and beliefs in light of the information currently available to it and involve known and unknown risks and uncertainties. Consequently, undue reliance should not be placed on these statements. Nippon Chemiphar cautions the reader that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements.

将来予測に関する記述とリスク要因

本資料において提供される情報（現在における計画、予測、戦略など）は、歴史的な事実ではなく、日本ケミファの将来の業績を予測したものです。現時点における情報をもとに予測してありますので、様々なリスクや不確実性に基づくものを含んでいます。従って、その性質上それらのリスク要因によって、将来予測が実際の結果と大きく違ってくる可能性があります。

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