

FUJIREBIO INC.
Fiscal Year 2004
Full Year Report
Supplementary Information

2005/2/25

FUJIREBIO INC.

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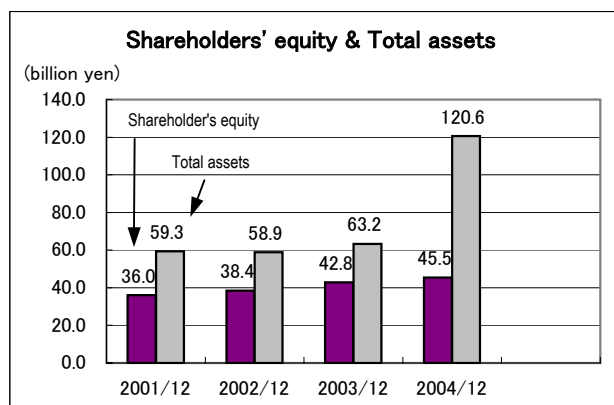
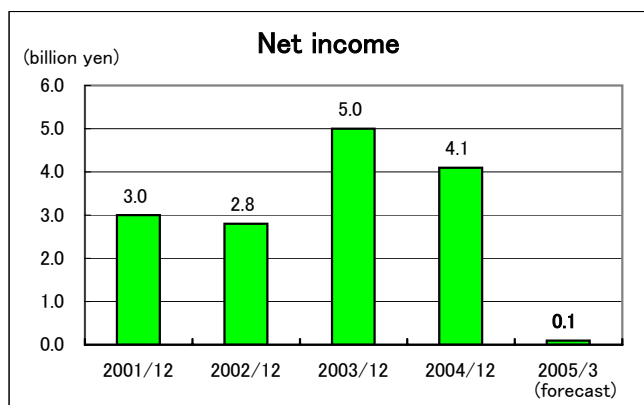
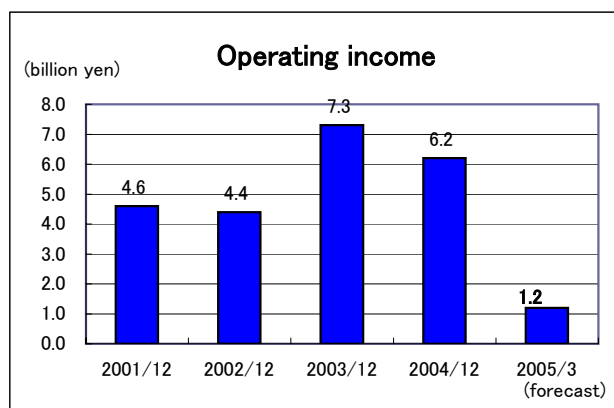
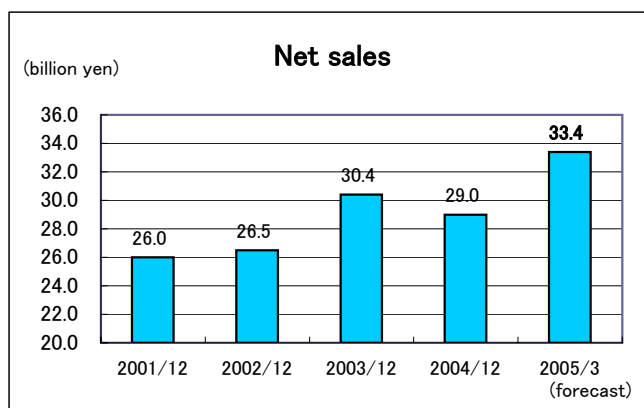


Consolidated Financial Highlights

| | FY 2001 | FY 2002 | FY 2003 | FY 2004 *1 | Y/Y(%) | FY 2005/1-3 (Forecast)*2 |
|--|---------|---------|---------|-----------------|--------|-----------------------------|
| Net sales (millions of yen) | 26,030 | 26,529 | 30,418 | 29,029 | (4.6) | 33,400 |
| Operating income (millions of yen) | 4,675 | 4,445 | 7,353 | 6,216 | (15.5) | 1,200 |
| Income from ordinary operations (millions of yen) | 5,075 | 4,727 | 8,280 | 6,787 | (18.0) | 1,100 |
| Net income (millions of yen) | 3,033 | 2,894 | 5,055 | 4,179 | (17.3) | 100 |
| Earnings per common share (yen) | 71.12 | 67.44 | 116.50 | 97.0 | — | — |
| Total assets (millions of yen) | 59,310 | 58,947 | 63,242 | 120,661 | 90.8 | — |
| Shareholders' equity (millions of yen) | 36,061 | 38,466 | 42,845 | 45,536 | 6.3 | — |
| Shareholders' equity per common share (yen) | 845.44 | 892.79 | 993.67 | 1,070.57 | — | — |
| ROE (%) | 8.8 | 7.8 | 12.4 | 9.5 | — | — |
| ROA (%) | 9.1 | 8.0 | 13.6 | 7.4 | — | — |
| Capital ratio (%) | 60.8 | 65.2 | 67.8 | 37.7 | — | — |
| Number of consolidated subsidiaries | 4 | 5 | 5 | 32 | — | 32 |

*1 SRL has become a consolidated subsidiary from an equity-method affiliate due to acquisition of the additional stock of SRL from 33.45% to 66.67% by FUJIREBIO. As the end of FY 2004 is deemed as the date of the stock acquisition, in the consolidated results for FY 2004 the balance sheet is on consolidated basis with SRL and equity in profits and losses of SRL is accounted for by the equity method.

*2 Due to the fiscal year change from Jan-Dec to Apr-Mar, FY Mar 2005 (Jan-Mar 2005) is irregular three-month fiscal term and the consolidated financial statements will be prepared on consolidated basis with SRL.



Consolidated Balance Sheets

Highlights of consolidated balance sheet

ASSETS

(Millions of yen)

| | FY 2001 | FY 2002 | FY 2003 | FY 2004 | Ratio of total assets (%) | Y/Y Change |
|------------------------------------|---------------|---------------|---------------|----------------|---------------------------|---------------|
| CURRENT ASSETS | 26,695 | 23,521 | 27,415 | 60,549 | 50.2 | 33,133 |
| Cash and cash equivalents | 6,211 | 7,835 | 9,861 | 19,411 | | 9,550 |
| Accounts and notes receivables | 9,035 | 9,663 | 11,769 | 28,928 | | 17,158 |
| Marketable securities | 5,428 | 1,020 | 1,015 | 907 | | (108) |
| Inventories | 4,461 | 4,427 | 4,143 | 8,124 | | 3,980 |
| Deferred tax assets | 326 | 276 | 368 | 1,243 | | 875 |
| Other assets | 1,282 | 332 | 280 | 2,046 | | 1,766 |
| Allowance for doubtful receivables | (51) | (34) | (23) | (113) | | (89) |
| FIXED ASSETS | 32,615 | 35,426 | 35,826 | 60,111 | 49.8 | 24,284 |
| Property, plant and equipment | 8,904 | 8,941 | 9,349 | 33,099 | 27.4 | 23,749 |
| Buildings and structures | 4,798 | 4,593 | 4,350 | 14,416 | | 10,065 |
| Machinery and equipment | 1,109 | 1,086 | 1,551 | 1,652 | | 101 |
| Furniture and fixtures | 1,360 | 1,652 | 1,573 | 8,643 | | 7,069 |
| Land | 1,546 | 1,542 | 1,537 | 7,860 | | 6,322 |
| Construction in progress | 89 | 66 | 335 | 526 | | 190 |
| Intangible assets | 2,936 | 3,776 | 3,418 | 14,973 | 12.4 | 11,554 |
| Investment and other assets | 20,773 | 22,708 | 23,058 | 12,038 | 10.0 | (11,020) |
| Investment securities | 18,277 | 20,198 | 20,854 | 4,519 | | (16,334) |
| Deferred tax assets | 1,467 | 1,705 | 1,486 | 3,104 | | 1,618 |
| Other assets | 1,103 | 846 | 748 | 4,626 | | 3,878 |
| Allowance for doubtful receivables | (74) | (41) | (29) | (212) | | (182) |
| TOTAL | 59,310 | 58,947 | 63,242 | 120,661 | 100.0 | 57,418 |

Consolidated Balance Sheets

Highlights of consolidated balance sheet

LIABILITIES AND SHAREHOLDERS' EQUITY

(Millions of yen)

| | FY 2001 | FY 2002 | FY 2003 | FY 2004 | Ratio of total assets (%) | Y/Y Change |
|--|---------|---------|---------|----------------|---------------------------|------------|
| CURRENT LIABILITIES | 8,758 | 8,311 | 8,997 | 38,911 | 32.3 | 29,914 |
| Accounts and notes payables | 2,208 | 2,051 | 2,305 | 11,048 | | 8,743 |
| Short-term debt | 2,705 | 2,635 | 1,503 | 13,735 | | 12,231 |
| Income tax payable | 1,363 | 1,007 | 1,865 | 2,287 | | 422 |
| Accrued bonus | 313 | 307 | 294 | 1,272 | | 978 |
| Other current liabilities | 2,166 | 2,310 | 3,028 | 10,567 | | 7,538 |
| LONG-TERM LIABILITIES | 14,458 | 12,142 | 11,376 | 17,260 | 14.3 | 5,884 |
| Convertible bonds | 7,000 | 6,500 | 6,500 | 4,978 | | (1,522) |
| Long-term debt | 3,556 | 1,769 | 886 | 2,101 | | 1,215 |
| Liability for employee's retirement benefits | 3,266 | 3,248 | 3,338 | 9,010 | | 5,671 |
| Liability for directors' and corporate auditors' severance | 115 | 139 | 161 | 433 | | 272 |
| Other long-term liabilities | 520 | 485 | 490 | 737 | | 246 |
| TOTAL LIABILITIES | 23,216 | 20,454 | 20,373 | 56,171 | 46.6 | 35,798 |
| MINORITY INTEREST | 31 | 26 | 23 | 18,952 | 15.7 | 18,929 |
| Common stock | 3,712 | 3,962 | 3,966 | 4,794 | | 827 |
| Capital surplus | 5,115 | 5,365 | 5,369 | 6,195 | | 826 |
| Retained earnings | 26,740 | 29,184 | 33,700 | 37,856 | | 4,156 |
| Unrealized gain on available-for-sale securities | 193 | 23 | 259 | 462 | | 202 |
| Foreign currency translation adjustments | 306 | (4) | (372) | (471) | | (98) |
| Treasury stock at cost | (7) | (65) | (77) | (3,300) | | (3,223) |
| EQUITY | 36,061 | 38,466 | 42,845 | 45,536 | 37.7 | 2,691 |
| TOTAL | 59,310 | 58,947 | 63,242 | 120,661 | 100.0 | 57,418 |

Consolidated Statement of Income

Highlights of Consolidated Statement of Income

(Millions of yen)

| | FY 2001 | FY 2002 | FY 2003 | FY 2004 | Ratio of total assets (%) | Y/Y Change | Y/Y (%) |
|---|---------|---------|---------|---------------|---------------------------|------------|---------|
| NET SALES | 26,030 | 26,529 | 30,418 | 29,029 | 100.0 | (1,389) | (4.6) |
| Cost of goods sold | 9,200 | 9,176 | 9,850 | 9,330 | 32.1 | (519) | (5.3) |
| GROSS PROFIT | 16,829 | 17,352 | 20,568 | 19,698 | 67.9 | (870) | (4.2) |
| expenses | 12,154 | 12,906 | 13,215 | 13,481 | 46.5 | 266 | 2.0 |
| OPERATING INCOME | 4,675 | 4,445 | 7,353 | 6,216 | 21.4 | (1,136) | (15.5) |
| Other income | 836 | 718 | 1,260 | 735 | 2.5 | (525) | (41.7) |
| Interest and dividend income | 128 | 118 | 83 | 80 | | | (3) |
| Equity in earnings of associated companies | 329 | 474 | 1,061 | 553 | | | (508) |
| Foreign currency gain | 287 | — | — | — | | | — |
| Other | 90 | 125 | 115 | 101 | | | (13) |
| Other expense | 436 | 436 | 332 | 164 | 0.5 | (168) | (50.6) |
| Interest expense | 177 | 122 | 69 | 51 | | | (18) |
| Bond expense | 166 | — | — | — | | | — |
| Loss on investment business partnership | — | — | 24 | 25 | | | 1 |
| Foreign currency loss | — | 189 | 167 | 39 | | | (128) |
| Expenses on assets rented to others | — | — | 28 | 27 | | | (0) |
| Other | 92 | 124 | 42 | 20 | | | (21) |
| INCOME FROM CONTINUING OPERATIONS | 5,075 | 4,727 | 8,280 | 6,787 | 23.4 | (1,493) | (18.0) |
| Extraordinary gain | 272 | 481 | 160 | 35 | 0.1 | (125) | (78.1) |
| Gain on sale of property, plant and equipment | — | — | 0 | — | | | (0) |
| Reversal of liability for directors' severance payments | — | — | — | 10 | | | 10 |
| Reversal of allowance for doubtful receivables | — | 15 | 3 | 11 | | | 8 |
| Gain on sale of investment securities | 3 | — | — | 13 | | | 13 |
| Investment profit on equity method | — | 5 | 156 | — | | | (156) |
| Adjustment of business transfer | — | 460 | — | — | | | — |
| Other | 269 | — | — | — | | | — |
| Extraordinary loss | 345 | 420 | 470 | 425 | 1.5 | (44) | (9.5) |
| Disposals of property, plant and equipment | 116 | 95 | 101 | 63 | | | (37) |
| Business integration expenses | — | — | — | 340 | | | 340 |
| Loss on devaluation of investment securities | — | 240 | 355 | 11 | | | (344) |
| Disposals of inventories | 1 | 72 | 13 | 9 | | | (4) |
| Effect on accounting changes related to retirement benefits | 200 | — | — | — | | | — |
| Other | 26 | 11 | — | — | | | — |
| INCOME BEFORE INCOME TAX AND MINORITY INTERESTS | 5,002 | 4,788 | 7,971 | 6,397 | 22.0 | (1,574) | (19.7) |
| INCOME TAX | 1,769 | 1,882 | 2,919 | 2,227 | 7.6 | (692) | (23.7) |
| DEFERRED TAX | 199 | 14 | (4) | (9) | (0.0) | (5) | 131.4 |
| MINORITY INTEREST | 0 | (2) | (0) | 0 | 0.0 | 0 | — |
| NET INCOME | 3,033 | 2,894 | 5,055 | 4,179 | 14.4 | (876) | (17.3) |

Sales by Product Segments (Consolidated)

| | (Millions of yen) | | | | |
|---------------|-------------------|---------|---------|---------------|------------------------------------|
| | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005/1-3 (FR group forecast) |
| Net Sales | 26,030 | 26,529 | 30,418 | 29,029 | 6,100 |
| CL-EIA | 7,642 | 9,004 | 9,969 | 10,472 | 2,400 |
| Agglutination | 10,987 | 9,444 | 8,872 | 8,383 | 1,800 |
| Other | 7,009 | 7,869 | 11,341 | 9,998 | 1,850 |
| ESPLINE | — | — | 3,934 | 2,853 | — |
| RIA | — | — | 2,671 | 2,366 | — |
| NAT | — | — | 932 | 755 | — |
| Other | — | — | 3,802 | 4,022 | — |
| Royalty | 390 | 210 | 235 | 174 | 50 |

*Net sales of ESPLINE Influenza for FY 2003: 3.48 billion yen; FY 2004: 2.45 billion yen

Overseas Sales (Consolidated)

| | (Millions of yen) | | | |
|-----------------------------|-------------------|---------|---------|---------------|
| | FY 2001 | FY 2002 | FY 2003 | FY 2004 |
| Net Sales | 26,030 | 26,529 | 30,418 | 29,029 |
| Japan | 21,161 | 22,144 | 26,187 | 24,563 |
| Overseas | 4,869 | 4,384 | 4,231 | 4,465 |
| Overseas ratio of sales (%) | 18.7 | 16.5 | 13.9 | 15.4 |

Sales Costs and Selling, General and Administrative Expenses (Consolidated)

| | (Millions of yen) | | | | |
|--|-------------------|---------|---------|---------------|------------------------------------|
| | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005/1-3 (FR group forecast) |
| Net Sales | 26,030 | 26,529 | 30,418 | 29,029 | 6,100 |
| Cost of goods sold | 9,200 | 9,176 | 9,850 | 9,330 | 2,100 |
| Ratio of sales (%) | 35.3 | 34.6 | 32.4 | 32.1 | 34.4 |
| Selling, general and administrative expenses | 12,154 | 12,906 | 13,215 | 13,481 | 3,400 |
| Ratio of sales (%) | 46.7 | 48.6 | 43.4 | 46.5 | 55.7 |

R&D Expenses (Consolidated)

| | (Millions of yen) | | | | |
|-----------------------------------|-------------------|---------|---------|--------------|------------------------------------|
| | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005/1-3 (FR group forecast) |
| Research and development expenses | 2,773 | 3,650 | 3,071 | 3,733 | 1,000 |
| Ratio of sales (%) | 10.7 | 13.8 | 10.1 | 12.9 | 16.4 |

Capital Expenditure/Depreciation and Amortization (Consolidated)

| | (Millions of yen) | | | | |
|-------------------------------|-------------------|---------|---------|--------------|------------------------------------|
| | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005/1-3 (FR group forecast) |
| Capital Expenditure | 1,578 | 1,905 | 2,614 | 2,536 | 950 |
| Depreciation and Amortization | 1,945 | 1,928 | 2,016 | 2,100 | 500 |

* Capital expenditure is aggregation of intangible assets and long-term prepaid expenses.

* Main capital expenditures for FY 2004: equipments for laboratory testing and plant for production.

Number of Employees (Consolidated)

| | FY 2001 | FY 2002 | FY 2003 | FY 2004 |
|---------------------------------|---------|---------|---------|------------|
| Full-time (permanent employees) | 683 | 693 | 699 | 715 |
| Part-time | 46 | 48 | 56 | 74 |

* The number of part-time worker is approximate number of the average for each year.

* The number of employees of SRL and its consolidated subsidiaries is not included for FY 2004.

Results of Consolidated Companies

<Sales>

| | (Millions of yen) | | | | |
|------------------|-------------------|---------|---------|--------------|------------------------------------|
| | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005/1-3 (FR group forecast) |
| Net Sales | | | | | |
| TFB | 4,038 | 4,119 | 4,116 | 3,946 | 670 |
| FAI/FDI | 4,236 | 3,676 | 3,453 | 3,575 | 940 |
| Fujirebio Taiwan | 259 | 253 | 219 | 220 | 40 |
| Rebio Gen | — | — | 1,053 | 1,213 | 210 |

<Income from Continuing Operations>

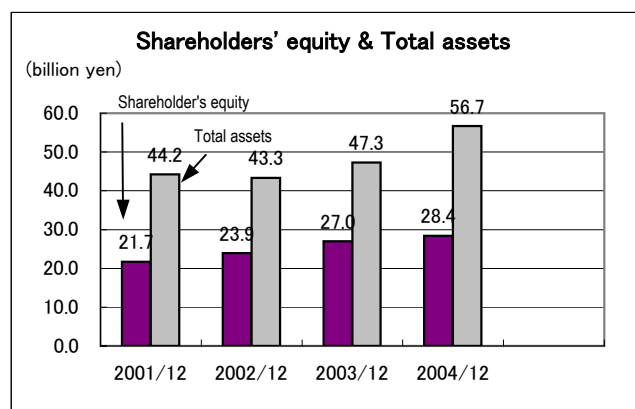
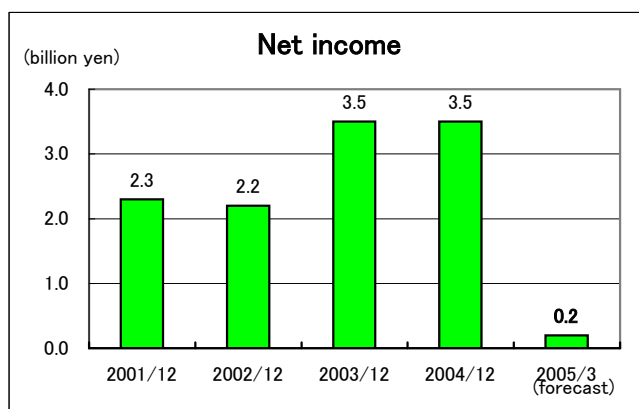
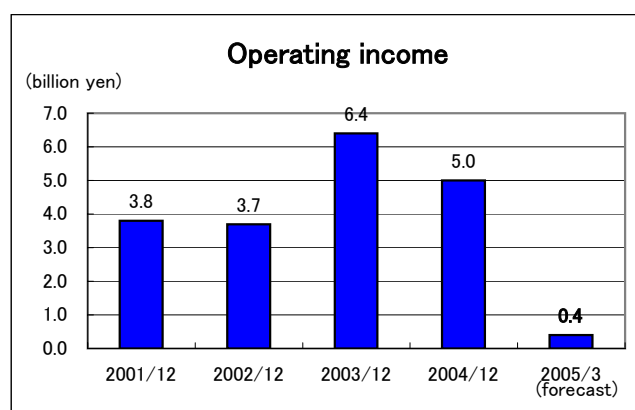
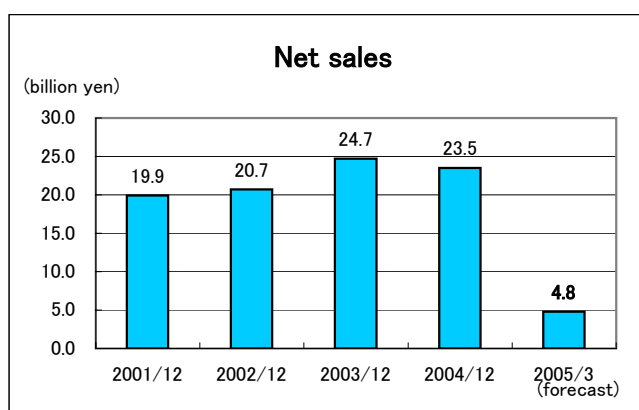
| | (Millions of yen) | | | | |
|-----------------------------------|-------------------|---------|---------|------------|------------------------------------|
| | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005/1-3 (FR group forecast) |
| Income from continuing operations | | | | | |
| TFB | 162 | 72 | 116 | 142 | 1 |
| FAI/FDI | 600 | 473 | 499 | 767 | 145 |
| Fujirebio Taiwan | 8 | △ 10 | △ 9 | 30 | 5 |
| Rebio Gen | — | — | 153 | 288 | 70 |

* Rebio Gen is consolidated in the balance sheet only for FY 2002.

Non-consolidated Financial Highlights

| | FY 2001 | FY 2002 | FY 2003 | FY 2004 | Y/Y(%) | FY 2005/1-3 (Forecast) |
|--|---------|---------|---------|---------------|--------|---------------------------|
| Net sales (millions of yen) | 19,945 | 20,716 | 24,779 | 23,502 | (5.2) | 4,800 |
| Operating income (millions of yen) | 3,885 | 3,757 | 6,484 | 5,086 | (21.6) | 400 |
| Income from ordinary operations (millions of yen) | 4,240 | 3,916 | 6,875 | 5,857 | (14.8) | 600 |
| Net income (millions of yen) | 2,324 | 2,260 | 3,548 | 3,537 | (0.3) | 200 |
| Earnings per share (yen) | 54.49 | 52.66 | 81.53 | 82.04 | — | — |
| Total assets (millions of yen) | 44,208 | 43,364 | 47,397 | 56,767 | 19.8 | — |
| Shareholders' equity (millions of yen) | 21,785 | 23,903 | 27,068 | 28,401 | 4.9 | — |
| Shareholders' equity per common share (yen) | 510.75 | 554.79 | 628.31 | 667.81 | — | — |
| ROE(%) | 11.2 | 9.9 | 13.8 | 12.8 | — | — |
| ROA(%) | 10.4 | 9.0 | 15.2 | 11.2 | — | — |
| Capital ratio(%) | 49.3 | 55.1 | 57.1 | 50.0 | — | — |
| Average number of shares outstanding (thousands of share) | 42,654 | 42,917 | 43,081 | 42,829 | — | — |

* Due to the fiscal year change from Jan-Dec to Apr-Mar, FY Mar 2005 (Jan-Mar 2005) is irregular three-month fiscal term.



Non-consolidated Sales Costs and Selling, General and Administrative Expenses

| | (Millions of yen) | | | | |
|--|-------------------|--------|--------|---------------|---------------------------|
| | FY2001 | FY2002 | FY2003 | FY2004 | FY 2005/1-3 (Forecast) |
| Net Sales | 19,945 | 20,716 | 24,779 | 23,502 | 4,800 |
| Cost of goods sold | 6,569 | 6,528 | 7,665 | 7,355 | 1,500 |
| Ratio of sales (%) | 32.9 | 31.5 | 30.9 | 31.3 | 31.3 |
| Selling, general and administrative expenses | 9,490 | 10,431 | 10,630 | 11,060 | 2,900 |
| Ratio of sales (%) | 47.6 | 50.4 | 42.9 | 47.1 | 60.4 |

Non-consolidated R&D Expenses

| | (Millions of yen) | | | | |
|-----------------------------------|-------------------|--------|--------|---------------|---------------------------|
| | FY2001 | FY2002 | FY2003 | FY2004 | FY 2005/1-3 (Forecast) |
| Research and development expenses | 2,519 | 3,345 | 2,767 | 3,361 | 900 |
| Ratio of sales (%) | 12.6 | 16.1 | 11.2 | 14.3 | 18.8 |

Non-consolidated Capital Expenditure/Depreciation and Amortization

| | (Millions of yen) | | | | |
|-------------------------------|-------------------|--------|--------|---------------|---------------------------|
| | FY2001 | FY2002 | FY2003 | FY2004 | FY 2005/1-3 (Forecast) |
| Capital Expenditure | 1,327 | 1,798 | 2,337 | 2,386 | 600 |
| Depreciation and Amortization | 1,472 | 1,514 | 1,637 | 1,729 | 400 |

* Capital expenditure is aggregation of intangible assets and long-term prepaid expenses.

Employees (Non-consolidated)

| | FY2001 | FY2002 | FY2003 | FY2004 |
|---------------------------------|--------|--------|--------|--------|
| Full-time (permanent employees) | 530 | 523 | 540 | 552 |
| Part-time | 35 | 40 | 60 | 65 |

* The number of part-time worker is approximate number of the average for each year.

Share of Stock

<Stock information>

| | FY2001 | FY2002 | FY2003 | FY2004 |
|---|--------|--------|--------|--------|
| Shares issued and outstanding (thousands of share) | 42,661 | 43,152 | 43,160 | 44,790 |
| Number of shareholders (term-ended) | 6,088 | 6,045 | 6,533 | 5,134 |
| Share price (term-ended) (yen) | 1,065 | 809 | 1,235 | 1,455 |
| Aggregate market value of listed stock (billions of yen) | 45.4 | 34.9 | 53.3 | 65.2 |

<Cash Dividends per Share>

| | FY2001 | FY2002 | FY2003 | FY2004 | (yen) FY 2005/1-3 (Forecast) |
|----------------------------|--------|--------|--------|--------|------------------------------------|
| Interim dividends | 5.0 | 5.0 | 6.0 | 7.0 | — |
| Year-end dividends | 5.0 | 6.0 | 7.0 | 8.0 | 4.0 |
| Annual dividends per share | 10.0 | 11.0 | 13.0 | 15.0 | 4.0 |

* Fujirebio has paid increased dividends for this 6 consecutive years.

* Due to the fiscal year change from Jan-Dec to Apr-Mar, FY Mar 2005 (Jan-Mar 2005) is irregular three-month fiscal term and year-end dividends per share is expected to be 4 yen.

<Treasury Stock>

| | FY2001 | FY2002 | FY2003 | FY2004 |
|---------------------------|--------|--------|--------|-----------|
| Number of treasury stocks | 9,123 | 66,488 | 78,607 | 2,298,402 |

<Principal Shareholders>

| Shareholders name (as of December 31, 2004) | (thousand of shares) | |
|---|----------------------|---------------------------|
| | Number of shares | Ratio of total equity (%) |
| 1 Japan Trustee Services Bank, Ltd. (Trust Account) | 5,253 | 11.73% |
| 2 Morgan Stanley and Company, International Ltd. | 3,374 | 7.53% |
| 3 Nippon Life Insurance, Co. | 2,553 | 5.70% |
| 4 FUJIREBIO INC. | 2,298 | 5.13% |
| 5 Bear Stearns Companies Inc. | 2,162 | 4.83% |
| 6 Mizuho Trust & Banking Co., Ltd. (Retirement Benefits Trust, Mizuho Bank, Ltd. Account) | 2,131 | 4.76% |
| 7 The Dai-ichi Mutual Life Insurance, Co. | 1,940 | 4.33% |
| 8 The Master Trust Bank of Japan, Ltd. (Trust Account) | 1,882 | 4.20% |
| 9 Mizuho Corporate Bank, Ltd. | 1,140 | 2.55% |
| 10 The Bank of Tokyo-Mitsubishi, Ltd. | 913 | 2.04% |