

FUJIREBIO INC.
Fiscal Year 2004
Interim Report
Supplementary Information

2004/8/27

FUJIREBIO INC.

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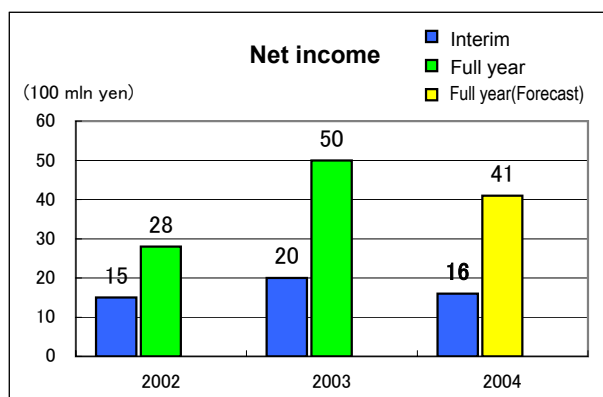
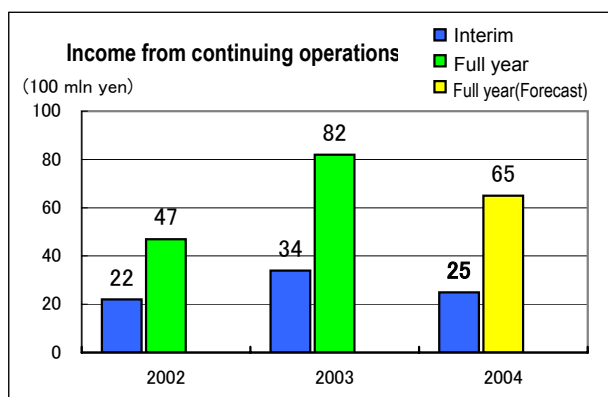
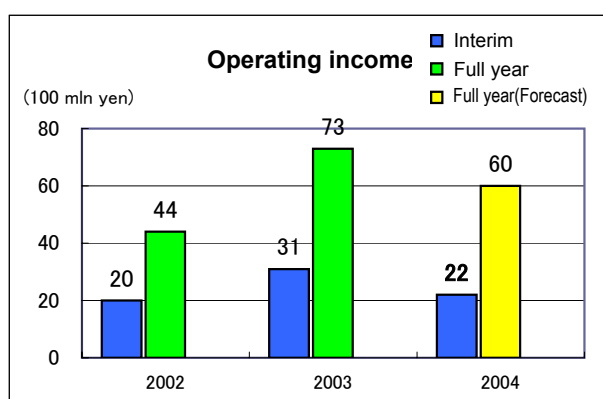
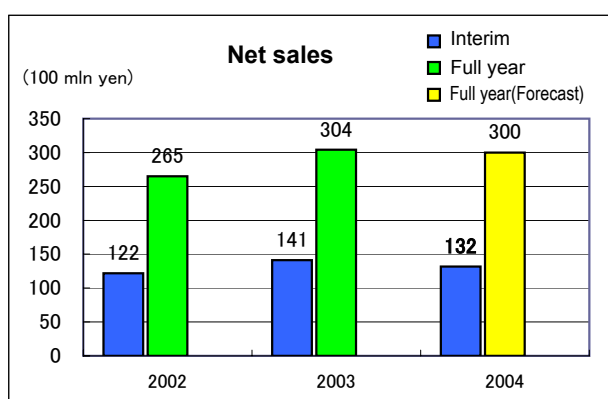
URL: <http://www.fujirebio.co.jp>



Consolidated Financial Highlights

	2002 Full Year	2003 Full Year	2004 Full Year (forecast)	2002 Interim	2003 Interim	2004 Interim (forecast)	2004 Interim
Net sales (millions of yen)	26,529	30,418	30,000	12,209	14,153	13,600	13,259
Operating income (millions of yen)	4,445	7,353	6,000	2,069	3,114	1,900	2,227
Income from continuing operations (millions of yen)	4,727	8,280	6,500	2,278	3,453	2,000	2,529
Net income (millions of yen)	2,894	5,055	4,100	1,585	2,047	1,200	1,651
Net income per common share (yen)	67.44	116.50	94.10	37.11	47.53	—	38.29
Diluted net income per common share (yen)	58.48	101.48	—	37.11	41.10	—	33.27
Total assets (millions of yen)	58,947	63,242	—	58,295	59,335	—	62,104
Shareholders' equity (millions of yen)	38,466	42,845	—	37,573	40,260	—	45,073
Shareholders' equity per common share (yen)	892.79	993.67	—	871.37	934.53	—	1,043.82
ROE (%)	7.8	12.4	—	4.2	5.1	—	3.7
ROA (%)	8.0	13.6	—	3.9	5.8	—	4.1
Capital ratio (%)	65.2	67.8	—	64.4	67.8	—	72.6
Number of consolidated subsidiaries	5	5	—	4	5	—	5

* For the year ended December 31, 2002, Rebiogen, Inc. became the company's consolidated subsidiary. The date of stock acquisition, September 30, 2002, is considered as the end of the consolidated fiscal year for former Chugai Diagnostics Science Co., Ltd., and so Rebio Gen, Inc. is not included in consolidated profit and loss statement for the year ended December 31, 2002.



Consolidated Balance Sheets

Highlights of consolidated balance sheet

ASSETS

(Millions of yen)

	2002 Dec.31	2003 Dec.31	Ratio of total assets (%)	2003 Jun.30	2004 Jun.30	Ratio of total assets (%)	Y/Y Change	Y/Y (%)
CURRENT ASSETS	23,521	27,415	43.4	23,316	25,405	40.9	(2,010)	(7.3)
Cash and cash equivalents	7,835	9,861		9,235	10,405		543	5.5
Accounts and notes receivables	9,663	11,769		8,740	8,450		(3,319)	(28.2) 1
Marketable securities	1,020	1,015		754	1,536		520	51.2
Inventories	4,427	4,143		4,049	4,352		209	5.1
Deferred tax assets	276	368		322	344		(24)	(6.6)
Other assets	332	280		238	325		44	16.0
Allowance for doubtful receivables	(34)	(23)		(23)	(8)		14	(63.7)
FIXED ASSETS	35,426	35,826	56.6	36,019	36,698	59.1	872	2.4
Property, plant and equipment	8,941	9,349	14.8	9,305	9,251	14.9	(97)	(1.0)
Buildings and structures	4,593	4,350		4,496	4,445		94	2.2
Machinery and equipment	1,086	1,551		1,405	1,494		(57)	(3.7)
Land	1,542	1,537		1,542	1,538		0	0.1
Construction in progress	66	335		232	171		(164)	(48.9)
Other assets	1,652	1,573		1,629	1,601		28	1.8
Intangible assets	3,776	3,418	5.4	3,658	3,355	5.4	(62)	(1.8) 2
Investment and other assets	22,708	23,058	36.4	23,055	24,091	38.8	1,032	4.5
Investment securities	20,198	20,854		20,765	21,963		1,109	5.3
Deferred tax assets	1,705	1,486		1,562	1,353		(132)	(8.9)
Other assets	846	748		756	803		55	7.4
Allowance for doubtful receivables	(41)	(29)		(29)	(29)		0	(0.1)
TOTAL	58,947	63,242	100.0	59,335	62,104	100.0	(1,138)	(1.8)

<Notes to 2004 Interim Financial Statement>

1 Sales of influenza test kit in 03-04 flu season are concentrated in the 4th quarter of 2003

2 Increase in equity in earnings of associated companies

Consolidated Balance Sheets

Highlights of consolidated balance sheet

LIABILITIES AND SHAREHOLDERS' EQUITY

(Millions of yen)

	2002 Dec.31	2003 Dec.31	Ratio of total assets (%)	2003 Jun.30	2004 Jun.30	Ratio of total assets (%)	Y/Y Change	Y/Y (%)
CURRENT LIABILITIES	8,311	8,997	14.2	7,453	6,094	9.8	(2,902)	(32.3)
Accounts and notes payables	2,051	2,305		1,892	2,281		(23)	(1.0)
Short-term debt	2,635	1,503		1,835	899		(604)	(40.2)
Income tax payable	1,007	1,865		1,074	457		(1,408)	(75.5)
Accrued bonuses	307	294		264	266		(27)	(9.3)
Other current liabilities	2,310	3,028		2,386	2,189		(839)	(27.7)
LONG-TERM LIABILITIES	12,142	11,376	18.0	11,594	10,910	17.6	(465)	(4.1)
Convertible bonds	6,500	6,500		6,500	6,459		(41)	(0.6)
Long-term debt	1,769	886		1,201	572		(314)	(35.4)
Liability for employee's retirement benefits	3,248	3,338		3,286	3,333		(4)	(0.1)
Liability for directors' and corporate auditors' severance payments	139	161		143	89		(71)	(44.6)
Other long-term liabilities	485	490		462	456		(34)	(7.0)
TOTAL LIABILITIES	20,454	20,373	32.2	19,047	17,005	27.4	(3,367)	(16.5)
MINORITY INTEREST	26	23	0.0	27	25	0.0	1	6.9
Common stock	3,962	3,966	6.3	3,962	4,020	6.5	54	1.4
Capital surplus	5,365	5,369	8.5	5,365	5,423	8.7	54	1.0
Retained earnings	29,184	33,700	53.3	30,950	35,631	57.4	1,931	5.7
Unrealized gain on available-for-sale securities	23	259	0.4	80	423	0.7	163	63.0
Foreign currency translation adjustments	(4)	(372)	(0.6)	(28)	(333)	(0.5)	38	(10.4)
Treasury stock	(65)	(77)	(0.1)	(69)	(91)	0.2	(14)	18.5
TOTAL SHAREHOLDERS' EQUITY	38,466	42,845	67.8	40,260	45,073	72.6	2,227	5.2
TOTAL	58,947	63,242	100.0	59,335	62,104	100.0	(1,138)	(1.8)

<Notes to 2004 Interim Financial Statement>

1 Redemption of borrowings for improvement of cash position

Consolidated Statement of Operations

Highlights of Consolidated Statement of Operations

(Millions of yen)

	2002 Full Year	2003 Full Year	2003 Interim	Ratio of total assets (%)	2004 Interim	Ratio of total assets (%)	Y/Y Change	Y/Y (%)
NET SALES	26,529	30,418	14,153	100.0	13,259	100.0	(894)	(6.3)
Cost of goods sold	9,176	9,850	4,723	33.4	4,431	33.4	(292)	(6.2)
GROSS PROFIT	17,352	20,568	9,430	66.6	8,827	66.6	(602)	(6.4)
Selling, general and administrative expenses	12,906	13,215	6,315	44.6	6,599	49.8	284	4.5
OPERATING INCOME	4,445	7,353	3,114	22.0	2,227	16.8	(886)	(28.5)
Other income	718	1,260	422	3.0	376	2.8	(46)	(10.9)
Interest and dividend income	118	83	54		60		5	
Equity in earnings of associated companies	474	1,061	307		271		(36)	
Other	125	115	59		44		(15)	
Other expense	436	332	83	0.6	74	0.5	(8)	(10.3)
Interest expense	122	69	47		27		(20)	
Foreign currency loss	189	167	—		11		11	
Other	124	95	35		35		(0)	
INCOME FROM CONTINUING OPERATIONS	4,727	8,280	3,453	24.4	2,529	19.1	(924)	(26.8)
Extraordinary gain	481	160	168	1.2	36	0.3	(131)	(78.3)
Gain on sale of property, plant and equipment	—	0	0		—		(0)	
Reversal of allowance for doubtful receivables	15	3	11		15		3	
Gain on sale of investment securities	—	—	—		10		10	
Adjustment of business transfer	460	—	—		—		—	
Dilution gain from changes in equity interest	5	156	156		—		(156)	
Other	—	—	—		10		10	
Extraordinary loss	420	470	273	1.9	36	0.3	(237)	(86.7)
Loss on disposals of property, plant and equipment	95	101	41		34		(6)	
Loss on devaluation of investment securities	240	355	225		1		(223)	
Loss on devaluation of inventories	72	13	—		—		—	
Other	11	—	7		0		(6)	
INCOME BEFORE INCOME TAX AND MINORITY INTERESTS	4,788	7,971	3,348	23.7	2,529	19.1	(818)	(24.5)
INCOME TAX	1,882	2,919	1,213	8.6	765	5.8	(447)	(36.9)
DEFERRED TAX	14	(4)	86	0.6	111	0.8	24	28.3
MINORITY INTEREST	(2)	(0)	1	0.0	1	0.0	0	5.0
NET INCOME	2,894	5,055	2,047	14.5	1,651	12.5	(396)	(19.3)

<Notes to 2004 Interim Financial Statement>

1 Sales growth of CL-EIA couldn't cover decline in sales of influenza test kit

2 Increase in R&D expense for the new products to be launched from the second half of 2004 to 2005

Results of Consolidated Companies

	(Millions of yen)		
	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Sales			
TFB, Inc.	4,119	4,116	4,000
FAI/FDI	3,676	3,453	3,500
Fujirebio Taiwan, Inc.	253	219	200
Rebio Gen, Inc.	—	1,053	1,200
Income from continuing operations			
TFB, Inc.	72	116	200
FAI/FDI	473	499	500
Fujirebio Taiwan, Inc.	(10)	(9)	10
Rebio Gen, Inc.	—	153	200

(Millions of yen)	
2003 Interim	2004 Interim
2,002	2,105
1,863	1,770
101	100
487	644
33	149
252	459
1	11
66	169

* For the year ended December 31, 2002, Rebiogen, Inc. is consolidated in the balance sheet only.

Sales by Product Segments (Consolidated)

	(Millions of yen)		
	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Sales			
CL-EIA	26,529	30,418	30,000
Agglutination	9,004	9,969	11,000
Other	9,444	8,872	8,500
ESPLINE	7,869	11,341	10,300
RIA	—	3,934	—
NAT	—	2,771	—
Other	—	932	—
Royalty	—	3,702	—
	210	235	200

(Millions of yen)	
2003 Interim	2004 Interim
14,153	13,259
4,632	4,861
4,242	4,084
5,154	4,233
1,286	573
1,486	1,225
495	377
1,886	2,057
123	79

Overseas Sales (Consolidated)

	(Millions of yen)		
	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Sales			
Japan	26,529	30,418	30,000
Overseas	22,144	26,187	—
Overseas ratio of sales (%)	4,384	4,231	—
	16.5	13.9	—

(Millions of yen)	
2003 Interim	2004 Interim
14,153	13,259
12,076	11,101
2,076	2,157
14.7	16.3

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

	(Millions of yen)		
	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Sales	26,529	30,418	30,000
Cost of goods sold	9,176	9,850	9,800
Ratio of sales (%)	34.6	32.4	32.7
Selling, general and administrative expenses	12,906	13,215	14,200
Ratio of sales (%)	48.6	43.4	47.3

(Millions of yen)	
2003 Interim	2004 Interim
14,153	13,259
4,723	4,431
33.4	33.4
6,315	6,599
44.6	49.8

R&D Expenses (Consolidated)

	(Millions of yen)		
	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Research and development expenses	3,650	3,071	3,900
Ratio of sales (%)	13.8	10.1	13.0

(Millions of yen)	
2003 Interim	2004 Interim
1,421	1,873
10.0	14.1

Capital Expenditure/Depreciation and Amortization (Consolidated)

	(Millions of yen)		
	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Capital Expenditure	1,905	2,614	3,000
Depreciation and Amortization	1,928	2,016	2,300

(Millions of yen)	
2003 Interim	2004 Interim
1,369	914
949	973

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

< Main Capital Expenditures >

	2004 Full Year
FUJIREBIO, INC	Equipments for laboratory testing, Plant for production

2004 Interim
Equipments for laboratory testing, Plant for production

Number of Employees (Consolidated)

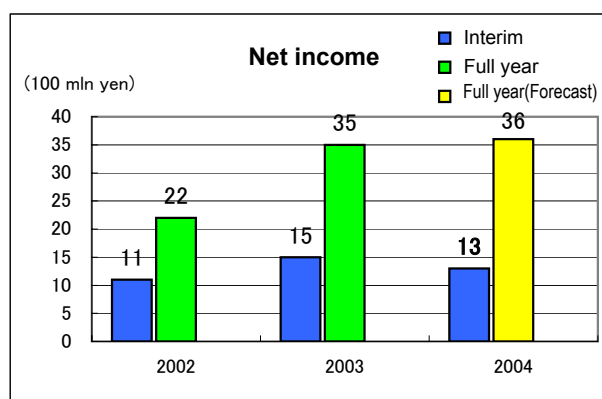
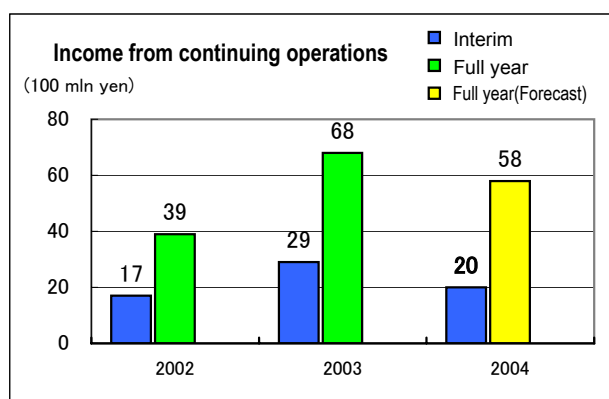
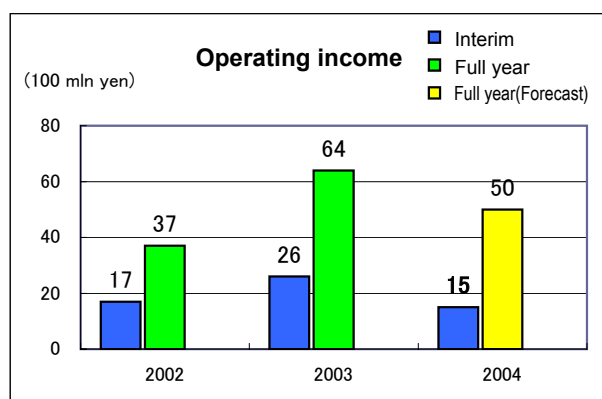
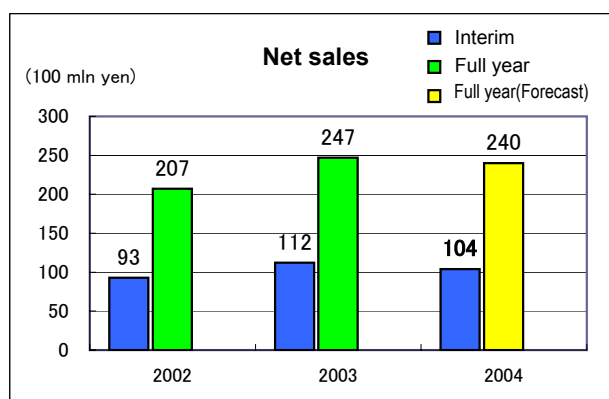
	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Full-time (permanent employees)	693	699	721
Part-time	48	70	82

2003 Interim	2004 Interim
686	709
63	71

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

Non-consolidated Financial Highlights

	2002 Full Year	2003 Full Year	2004 Full Year (forecast)	2002 Interim	2003 Interim	2004 Interim (forecast)	2004 Interim
Net sales (millions of yen)	20,716	24,779	24,000	9,396	11,208	10,600	10,463
Operating income (millions of yen)	3,757	6,484	5,000	1,782	2,682	1,600	1,525
Income from continuing operations (millions of yen)	3,916	6,875	5,800	1,776	2,956	2,500	2,089
Net income (millions of yen)	2,260	3,548	3,600	1,170	1,502	1,800	1,398
Net income per common share (yen)	52.66	81.53	82.52	27.39	34.88	—	32.41
Diluted net income per common share (yen)	45.66	71.01	—	23.63	30.09	—	28.16
Total assets (millions of yen)	43,364	47,397	—	43,072	44,134	—	44,659
Shareholders' equity (millions of yen)	23,903	27,068	—	23,201	25,134	—	28,290
Shareholders' equity per common share (yen)	554.79	627.46	—	538.07	583.43	—	655.17
ROE(%)	9.9	13.8	—	5.0	6.0	—	4.9
ROA(%)	9.0	15.2	—	4.1	6.7	—	4.7
Capital ratio(%)	55.1	57.1	—	53.9	56.9	—	63.3
Average number of shares outstanding (thousands of share)	42,917	43,081	—	42,725	43,082	—	43,135



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

	(Millions of yen)		
	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Sales	20,716	24,779	24,000
Cost of goods sold	6,528	7,665	7,700
Ratio of sales (%)	31.5	30.9	32.1
Selling, general and administrative expenses	10,431	10,630	11,300
Ratio of sales (%)	50.4	42.9	47.1

(Millions of yen)	
2003 Interim	2004 Interim
11,208	10,463
3,647	3,508
32.5	33.5
4,878	5,428
43.6	51.9

R&D Expenses (Non-consolidated)

	(Millions of yen)		
	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Research and development expenses	3,345	2,767	3,400
Ratio of sales (%)	16.1	11.2	14.2

(Millions of yen)	
2003 Interim	2004 Interim
1,264	1,707
11.3	16.3

Capital Expenditure/Depreciation and Amortization (Non-consolidated)

	(Millions of yen)		
	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Capital Expenditure	1,798	2,337	2,900
Depreciation and Amortization	1,514	1,637	1,900

(Millions of yen)	
2003 Interim	2004 Interim
1,301	806
739	797

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

Number of Employees (Non-consolidated)

	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Full-time (permanent employees)	523	540	562
Part-time	40	60	82

2003 Interim	2004 Interim
527	556
55	64

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

Stock Information

	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Shares issued and outstanding (thousands of share)	43,152	43,160	—
Number of shareholders (term-ended)	6,045	6,533	—
Share price (term-ended) (yen)	809	1,235	—
Aggregate market value of listed stock (100 millions of yen)	349	533	—

2003 Interim	2004 Interim
43,152	43,270
7,018	5,228
910	1,497
392	647

<Cash Dividends per Share>

	2002	2003	2004 (forecast)
Interim dividends (yen)	5.0	6.0	7.0
Term-ended dividends (yen)	6.0	7.0	7.0
Cash dividends per share (yen)	11.0	13.0	14.0

* Fujirebio has paid increased dividends for this 5 consecutive years and will estimated to pay a increased dividend for year 2004 as well.

<Treasury Stock>

	2002 Full Year	2003 Full Year	2004 Full Year (forecast)
Number of treasury stocks	66,488	78,607	—

2003 Interim	2004 Interim
71,552	89,143

<Principal Shareholders>

(thousand of shares)

Shareholders name (as of June 30, 2004)	Number of shares	Ratio of total equity (%)
1 Japan Trustee Services Bank, Ltd.	6,405	14.80%
2 Nippon Life Insurance, Co.	2,513	5.81%
3 Bear Stearns Companies Inc.	2,417	5.59%
4 The Master Trust Bank of Japan, Ltd.	2,141	4.95%
5 Mizuho Trust & Banking Co., Ltd. (Retirement Benefits Trust, Mizuho Bank, Ltd. Account)	2,131	4.93%
6 Yamanouchi Pharmaceutical Co.,Ltd.	2,124	4.91%
7 The Dai-ichi Mutual Life Insurance, Co.	1,940	4.49%
8 Morgan Stanley and Company Inc.	1,444	3.34%
9 Mizuho Corporate Bank, Ltd.	1,140	2.63%
10 The Bank of Tokyo-Mitsubishi, Ltd.	913	2.11%