

Kyowa Hakko Kogyo Co., Ltd.

Kyowa Hakko Revises Consolidated and Non-Consolidated Full-year Forecasts

Tokyo, April 24, 2003 – Kyowa Hakko Kogyo Co., Ltd. (“Kyowa Hakko”) today issued revised non-consolidated and consolidated forecasts for the year ended March 31, 2003. The revisions are principally due to the booking of an extraordinary loss and the effects of the business climate on performance. Details of the revised forecasts are as follows, along with the previous forecasts that were issued on November 13, 2002.

1. Revised non-consolidated forecasts for the period from April 1, 2002 to March 31, 2003

Millions of yen

	Net sales	Operating income*	Recurring profit	Net income
Previous forecast	294,500	--	14,000	11,000
Revised forecast	294,000	12,000	11,500	7,000
Difference in forecasts	(500)	--	(2,500)	(4,000)
Percentage change	(0.2%)	--	(17.9%)	(36.4%)
Previous year's results	308,389	18,902	18,598	4,625

*Note – The Company did not release forecasts for non-consolidated operating income on Nov. 13, 2002

2. Revised consolidated forecasts for the period from April 1, 2002 to March 31, 2003

Millions of yen

	Net sales	Operating income*	Recurring profit	Net income
Previous forecast	356,000	--	14,000	11,000
Revised forecast	356,000	16,000	11,500	8,500
Difference in forecasts	--	--	(2,500)	(2,500)
Percentage change	--	--	(17.9%)	(22.7%)
Previous year's results	378,667	20,356	18,960	5,535

*Note – The Company did not release forecasts for consolidated operating income on Nov. 13, 2002

3. Reasons for revision

(1) Non-consolidated results forecast

We expect to record an extraordinary income of approximately 2.3 billion yen relating to the return of the substitute portion of the employees' pension fund. This amount was not included in the original forecast for the fiscal year ended March 31, 2003 announced on November 13, 2002. In addition, in order to ensure the financial health of our overseas businesses and in view of worsening business results -- particularly at our consolidated overseas subsidiary FERMEX, which is involved in the feed-use amino acid business -- we expect to record an extraordinary loss of approximately 7.4 billion yen primarily in relation to overseas business reorganization costs.

(2) Consolidated results forecast

Similarly to the non-consolidated forecast, we expect to record an extraordinary income of approximately 2.8 billion yen relating to the return of the substitute portion of the employees' pension fund and an extraordinary loss of approximately 6 billion yen mainly relating to overseas business reorganization costs.

(3) Results of business operations

Net sales are expected to be similar to our previous forecast but will be approximately 26 billion yen lower than the previous fiscal year owing to the divestiture of the alcoholic beverage business. Recurring profit is expected to be lower than previously forecast, mainly as a result of increased competition in the pharmaceutical business.

As a result of the factors noted above, non-consolidated and consolidated net income are expected to increase year on year by approximately 2.4 billion yen and 3 billion yen respectively. However as non-consolidated and consolidated net income are expected to be approximately 4 billion yen and 2.5 billion yen respectively below the previous forecast, we are reporting a downward revision to both the non-consolidated and consolidated forecasts.

Note 1: Kyowa Hakko originally reported details about the return of the substitute portion of the employees' pension fund on March 6, 2003

Note 2: The forecasts above are based on information available to management on the date of their announcement. Actual results can differ materially from these projections for a wide variety of reasons.

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