

# Reference Data

## Fiscal Year 2005

(April 1, 2005 to March 31, 2006)

### Consolidated Earnings

- Consolidated Financial Data P 1
- Consolidated Balance Sheets P 2
- Consolidated P/L Statement P 4
- Consolidated Sales Breakdown by Category P 5
- Consolidated Operating Income by Category P 5
- Sales and Earnings of Taisho Toyama Pharmaceutical P 5
- Consolidated Sales of Leading Products P 6
- Capital Expenditure P 7
- R&D Expenses P 7
- Subsidiaries and Affiliates P 8

### Non-consolidated Earnings

- Non-consolidated Financial Data P 9
- Non-consolidated Sales Breakdown by Category P10
- Non-consolidated Sales Breakdown by Therapeutic Category P10
- Capital Expenditure P10
- Shareholders Information P11

### New Drug Development / New Products

- New Drug Development P12
- Launch of New Products P14

## Consolidated Financial Data

(Yen Million)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)	(Est.)	
					07/3 (FY06)	
					1H	Full Year
Net Sales	274,077	286,433	279,437	271,407	131,000	266,000
(YOY%)	(1.0%)	(4.5%)	(-2.4%)	(-2.9%)	(-2.5%)	(-2.0%)
Self-Medication operations	195,125	188,062	183,416	174,831	86,900	175,400
Prescription Pharmaceutical operations	78,952	98,371	96,020	96,576	44,100	90,600
Gross profit	200,731	201,428	194,582	184,720	88,700	179,500
Selling, general and administrative expenses	146,336	143,727	139,883	138,325	67,700	138,000
Research and development expenses	29,526	24,171	23,221	23,072	12,100	23,500
(% Sales)	(10.8%)	(8.4%)	(8.3%)	(8.5%)	(9.2%)	(8.8%)
Advertising expenses	17,939	17,619	17,273	16,189	7,700	16,000
Sales promotion expenses	26,968	28,878	28,247	28,535	12,600	28,200
Personnel expenses	-	-	33,935	33,259	16,600	33,300
Operating income	54,394	57,700	54,698	46,395	21,000	41,500
(YOY%)	(-10.4%)	(6.1%)	(-5.2%)	(-15.2%)	(-17.9%)	(-10.6%)
Recurring income	60,857	61,180	58,063	49,748	22,500	45,500
(YOY%)	(-9.8%)	(0.5%)	(-5.1%)	(-14.3%)	(-14.5%)	(-8.5%)
Net income	35,392	40,910	35,489	35,884	13,500	27,500
(YOY%)	(-5.3%)	(15.6%)	(-13.3%)	(1.1%)	(-13.2%)	(-23.4%)
EPS (yen)	105.81	127.87	114.15	116.18	-	88.99
Capital expenditure	8,956	8,829	7,074	13,397	5,700	10,800
Depreciation and amortization	16,832	15,343	13,501	12,809	6,400	12,700
Total assets	577,706	601,956	613,802	664,431	-	682,000
Shareholders' equity	485,717	500,761	517,634	567,364	-	585,000
Return on equity (* 1)	7.3%	8.3%	7.0%	6.6%	-	4.8%
Return on assets (* 1)	6.1%	6.9%	5.8%	5.6%	-	4.1%
Equity ratio	84.1%	83.2%	84.3%	85.4%	-	85.8%
Overseas sales ratio	4.2%	3.7%	3.5%	3.1%	-	-
Number of employees	4,806	5,477	5,339	5,191	-	-

(\* 1) Average of the beginning and year-end balance of shareholders' equity / total assets

## Consolidated Balance Sheets

(Yen Million)

	End of March 05		End of March 06		Change
		% total		% total	
(Assets)					
Current assets:					
Cash and deposits	147,265		155,205		7,939
Notes and accounts receivable-trade	78,920		76,718		-2,201
Marketable securities	11,267		3,492		-7,774
Inventories	22,905		23,612		707
Deferred tax assets	8,132		8,160		27
Others	5,286		4,528		-757
Sub-total	273,776		271,717		-2,058
Allowance for doubtful accounts	-631		-561		70
<b>Total current assets</b>	<b>273,144</b>	<b>44.5%</b>	<b>271,156</b>	<b>40.8%</b>	<b>-1,987</b>
Fixed assets:					
(1) Tangible fixed assets:					
Buildings and structures	51,001		50,638		-363
Machinery and equipment	11,015		10,095		-920
Land	27,230		27,233		3
Construction in progress	1,387		5,853		4,466
Others	5,635		5,221		-414
Total tangible fixed assets	96,270	(15.7%)	99,041	(14.9%)	2,771
(2) Intangible fixed assets:					
Goodwill	180		162		-17
Trademarks	8,886		6,546		-2,339
Software	3,957		3,842		-114
Adjustment account for consolidation	27		9		-18
Others	192		198		5
Total intangible fixed assets	13,244	(2.1%)	10,758	(1.6%)	-2,485
(3) Investments and other assets:					
Investments in securities	215,785		276,614		60,828
Long-term prepaid expenses	3,538		2,615		-922
Deferred tax assets	8,695		723		-7,971
Others	3,357		3,759		402
Sub-total	231,376		283,713		52,336
Allowance for doubtful receivables-long term	-232		-239		-6
Total investments and other assets	231,143	(37.7%)	283,474	(42.7%)	52,330
<b>Total fixed assets</b>	<b>340,658</b>	<b>55.5%</b>	<b>393,274</b>	<b>59.2%</b>	<b>52,616</b>
<b>Total assets</b>	<b>613,802</b>	<b>100.0%</b>	<b>664,431</b>	<b>100.0%</b>	<b>50,628</b>

## &lt; Major reasons for changes in selected items &gt;

Marketable securities down ¥7.7 billion

(Bond redemptions: -¥11.5 billion; reclassification from investments in securities: +¥4.2 billion)

Construction in progress up ¥4.4 billion

(Increase of ¥4.6 billion at pharmaceutical manufacturing building no. 2 at the Omiya Factory)

Trademarks down ¥2.3 billion (Due to amortization)

Investments in securities up ¥60.8 billion

(Purchase of bonds: +¥41.6 billion; purchase of shares: +¥20.0 billion;  
increase in revaluation gain: +¥32.9 billion; sale of bonds: -¥28.0 billion)

Deferred tax assets (long-term) down ¥7.9 billion

(Due to growth in unrealized gains on securities)

## Consolidated Balance Sheets

(Yen Million)

	End of March 05		End of March 06		Change
		% total		% total	
Current liabilities:					
Notes and accounts payable-trade	20,370		21,798		1,427
Short-term loans	205		260		55
Accounts payable	12,927		14,062		1,134
Accrued corporate tax	9,486		7,237		-2,249
Accrued expenses	8,386		7,875		-511
Adjustment allowance for returns	615		893		278
Allowance for bonuses	3,337		3,917		579
Others	1,014		1,680		665
Total current liabilities	56,344	9.2%	57,724	8.7%	1,380
Long-term liabilities:					
Reserves for retirement benefits	34,506		18,763		-15,742
Reserves for directors' retirement payments	1,527		1,589		62
Deferred taxes liabilities	27		9,473		9,446
Others	2,483		7,338		4,855
Total long-term liabilities	38,543	6.3%	37,165	5.6%	-1,378
<b>Total liabilities</b>	<b>94,888</b>	<b>15.5%</b>	<b>94,890</b>	<b>14.3%</b>	<b>1</b>
(Minority interest)					
Minority interest	1,279	0.2%	2,176	0.3%	896
(Shareholders' equity)					
Common stock	29,804	4.9%	29,804	4.5%	-
Additional paid-in capital	14,935	2.4%	14,935	2.3%	-
Retained earnings	506,797	82.5%	515,006	77.5%	8,209
Unrealized gain on securities	13,951	2.3%	34,065	5.1%	20,114
Foreign currency adjustment accounts	-4,905	-0.8%	-3,193	-0.5%	1,712
Treasury stock	-42,947	-7.0%	-23,253	-3.5%	19,694
<b>Total shareholders' equity</b>	<b>517,634</b>	<b>84.3%</b>	<b>567,364</b>	<b>85.4%</b>	<b>49,730</b>
<b>Total liabilities, minority interest, and shareholders' equity</b>	<b>613,802</b>	<b>100.0%</b>	<b>664,431</b>	<b>100.0%</b>	<b>50,628</b>

## &lt; Major reasons for changes in selected items &gt;

Reserves for retirement benefits down ¥15.7 billion

(¥6.5 billion contribution to cover shortfall in corporate pension funding;

¥5.0 billion reclassification of liabilities to long-term liabilities)

Long-term liabilities (Others) up ¥4.8 billion

(Due to ¥5.0 billion reclassification from reserves for retirement benefits of fixed retirement liabilities

for employees transferred to Taisho Toyama Pharmaceutical and of portion of defined contribution

pension plan not yet transferred)

Unrealized gain on securities up ¥20.1 billion (Unrealized gain of investments in securities)

Treasury stock deduction down ¥19.6 billion

(Due to cancellation of ¥19.8 billion shares of treasury stock during the year)

## Consolidated P/L Statement

(Yen Million)

	05/3 (FY04)		06/3 (FY05)		YOY Change
		% Sales		% Sales	
Net sales	279,437	100.0%	271,407	100.0%	-8,029
Cost of sales	84,762	30.3%	86,408	31.8%	1,646
Gross profit on sales	194,674	69.7%	184,999	68.2%	-9,675
Reversal of provision for sales returns	522	0.2%	615	0.2%	92
Provision for sales returns	615	0.2%	893	0.3%	278
Gross profit	194,582	69.7%	184,720	68.1%	-9,861
Selling, general and administrative expenses	139,883	50.1%	138,325	51.0%	-1,558
Depreciation and amortization	6,278		6,335		
Research and development expenses	23,221		23,072		
Advertising expenses	17,273		16,189		
Sales promotion expenses	28,247		28,535		
Others	64,862		64,191		
Operating income	54,698	19.6%	46,395	17.1%	-8,302
Non-operating income	4,913	1.7%	5,178	1.9%	265
Interest income	3,547		3,833		
Dividend income	299		548		
Rental income on real estate	110		108		
Others	955		688		
Non-operating expenses	1,547	0.5%	1,825	0.7%	277
Interest expenses	4		4		
Investment loss in affiliates using the equity accounting method	649		637		
Others	893		1,182		
Recurring income	58,063	20.8%	49,748	18.3%	-8,314
Extraordinary gains	669	0.2%	9,348	3.4%	8,678
Profit on sales of investment securities	39		89		
Profit on sales of fixed assets	23		3		
Gain on transfer to defined contribution pension plan	-		759		
Others	606		8,496		
Extraordinary losses	392	0.1%	785	0.3%	393
Evaluation loss on investment securities	72		0		
Loss on disposal of fixed assets	319		574		
Loss on sales of investment securities	-		1		
Asset impairment loss	-		208		
Income before income taxes and minority interests	58,341	20.9%	58,311	21.5%	-29
Corporate and inhabitants' taxes	22,141	7.9%	18,625	6.9%	-3,516
Corporate tax adjustment	483	0.2%	3,892	1.4%	3,409
Minority interest gain (loss) of consolidated subsidiaries	226	0.1%	-89	0.0%	-316
Net income	35,489	12.7%	35,884	13.2%	394

## &lt; Fiscal year 2005 highlights &gt;

Cost of sales ratio increased from 30.3% to 31.8%

Due to lower sales of Pabron, RiUP and other core products

Price revisions and higher sales of intermediate pharmaceutical products with high cost of sales ratio

Selling, general &amp; administrative expenses

Advertising expenses were ¥16.1 billion (down ¥1.0 billion) due to a review of the advertising budget

Extraordinary gains and losses

¥0.7 billion gain from transfer to defined contribution pension plan;

other items (¥8.5 billion profit on sales of shares of related company;

no consumption tax exemption gain at Taisho Toyama Pharmaceutical vs. ¥0.6 billion gain one year earlier);

asset impairment loss of ¥0.2 billion (for facilities at Vietnam factory)

## Consolidated Sales Breakdown by Category

(Yen Million)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)	(Est.)	
					07/3 (FY06)	
					1H	Full Year
Self-Medication operations: (YOY%)	195,125 (1.4%)	188,062 (-3.6%)	183,416 (-2.5%)	174,831 (-4.7%)	86,900 (-0.0%)	175,400 (0.3%)
OTC products, etc.	185,233	178,233	172,404	163,866	81,500	163,200
Foods for Specified Health Use, etc.	8,535	7,876	7,840	8,140	4,300	9,200
Others	1,357	1,953	3,172	2,825	1,100	3,000
Prescription Pharmaceutical operations: (YOY%)	78,952 (-0.0%)	98,371 (24.6%)	96,020 (-2.4%)	96,576 (0.6%)	44,100 (-7.0%)	90,600 (-6.2%)
Ethical drugs	61,637	82,129	81,688	81,779	38,600	79,200
Others*	10,994	10,631	9,391	11,686	5,000	10,400
Royalty income	6,321	5,611	4,941	3,111	500	1,000
Total	274,077	286,433	279,437	271,407	131,000	266,000

\* Include Biopex

## Consolidated Operating Income by Category

(Yen Million)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)	(Est.)	
					07/3 (FY06)	
					1H	Full Year
Self-Medication operations (YOY%)	50,412 (-5.3%)	43,391 (-13.9%)	39,014 (-10.1%)	33,602 (-13.9%)	17,200 (-9.8%)	33,200 (-1.2%)
Prescription Pharmaceutical operations (YOY%)	3,982 (-46.8%)	14,308 (259.3%)	15,683 (9.6%)	12,793 (-18.4%)	3,800 (-41.6%)	8,300 (-35.1%)
Total	54,394	57,700	54,698	46,395	21,000	41,500

## Sales and Earnings of Taisho Toyama Pharmaceutical (consolidated subsidiary)

(Yen Billion)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)	(Est.)	
					07/3 (FY06)	
					1H	Full Year
Taisho Toyama Pharmaceutical Sales	-	83.1	82.3	82.7	38.9	80.0
Taisho products	-	61.8	60.6	61.7	28.8	59.7
Toyama Chemical products	-	21.2	21.7	20.9	10.1	20.3
Recurring income	-	0.5	1.8	0.9	-	1.0
Net income (loss)	-	-0.7	0.6	-0.3	-	0.0

(Rounded to the nearest hundred-million)

## Consolidated Sales of Leading Products

(Yen Billion)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)	YOY Change	(Est.) 07/3 (FY06)	
						1H	Full Year
OTC products, etc.	185.2	178.2	172.4	163.9	-5.0%	81.5	163.2
Lipovitan series	102.0	96.9	95.1	91.4	-3.9%	51.2	91.1
Lipovitan D	77.9	72.9	70.8	68.2	-3.6%	39.0	67.6
Others	24.1	24.0	24.3	23.2	-4.9%	12.2	23.5
ZENA series	4.2	4.6	5.0	4.9	-1.9%	2.0	5.1
Pabron series	28.7	28.1	27.3	26.1	-4.4%	8.8	25.3
RiUP series	17.7	15.3	13.5	12.0	-10.9%	5.8	12.0
Gastrointestinal treatments	5.3	5.4	4.9	4.9	0.1%	2.1	4.9
Foods for Specified Health Use, etc.	8.5	7.9	7.8	8.1	3.8%	4.3	9.2
Livita series	1.5	1.1	2.1	2.4	16.9%	1.4	3.2
Overseas drinks	4.5	4.2	4.3	4.3	0.8%	2.2	4.6
Ethical drugs	61.6	82.1	81.7	81.8	0.1%	38.6	79.2
Clarith	27.1	27.6	27.4	27.5	0.1%	11.6	26.5
Palux	14.5	13.2	12.0	12.0	0.1%	6.0	11.4
PENTCILLIN	-	6.4	6.5	6.6	1.9%	3.4	6.4
Lorcam	4.2	4.5	4.5	4.5	0.8%	2.3	4.4
TOMIRON	-	4.9	4.8	4.2	-12.8%	1.7	3.8
OZEX	-	2.9	3.3	3.3	0.7%	1.5	3.3
Metligine	2.4	2.2	2.2	2.1	-3.6%	1.1	2.1
LIMAS	2.3	2.3	2.3	2.4	3.2%	1.2	2.3
SOLOON	2.6	2.3	2.1	2.0	-7.4%	1.0	1.9
LUPRAC	-	1.6	1.8	1.9	8.3%	1.0	1.9
PASIL	-	0.9	1.2	1.2	4.7%	0.7	1.4

(Rounded to the nearest hundred-million)

## Tonics and Nutrient Drinks: Domestic Sales Breakdown by Channel (parent basis)

(Yen Billion)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)	YOY Change
Drug-oriented channels	62.8	58.2	54.6	50.1	-8.1%
Food-oriented channels	45.6	45.2	47.6	47.5	-0.1%
Total	108.4	103.4	102.1	97.7	-4.4%

(Rounded to the nearest hundred-million)

## Lipovitan D: Sales Breakdown by Channel (parent basis)

(Yen Billion)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)	YOY Change
Drug-oriented channels	39.5	35.9	33.2	30.8	-7.1%
Food-oriented channels	38.4	37.0	37.6	37.4	-0.5%
Total	77.9	72.9	70.8	68.2	-3.6%

(Rounded to the nearest hundred-million)

## Consolidated Capital Expenditure (Breakdown by Area)

(Yen Million)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)	YOY Change	Est. 07/3 (FY06)
Total capital expenditure	8,956	8,829	7,074	13,397	89.4%	10,800
Omiya Factory	1,499	1,521	792	6,605	734.0%	7,000
Hanyu Factory	84	136	144	195	35.4%	100
Okayama Factory	63	175	46	1,860	3943.5%	200
Research Center	1,492	1,218	1,958	1,120	-42.8%	1,200
Others	5,818	5,779	4,134	3,617	-12.5%	2,300

## Consolidated R&amp;D Expenses

(Yen Million)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)	YOY Change	Est. 07/3 (FY06)
Total R&D expenses	29,526	24,171	23,221	23,072	-0.6%	23,500
Self-Medication operations	6,904	6,572	6,674	6,709	0.5%	7,500
Prescription Pharmaceutical operations	22,622	17,598	16,547	16,362	-1.1%	16,000

## Subsidiaries and Affiliates

Company	Address	Capital	Business	Ownership
(1) Consolidated subsidiaries				%
Taisho Kosei Service Co.,Ltd.	Tokyo, Japan	,000 Yen 10,000	SMG	100
Taisho Okinawa Co.,Ltd.	Okinawa, Japan	,000 Yen 50,000	SMG	100
Taisho M.T.C. Co.,Ltd.	Tokyo, Japan	,000 Yen 400,000	SMG	60
Taisho Pharmaceutical Logistics Co.,Ltd.	Tokyo, Japan	,000 Yen 30,000	SMG	100
Taisho Business Research Institute Co.,Ltd.	Tokyo, Japan	,000 Yen 50,000	SMG PD	100
Taisho Toyama Pharmaceutical Co.,Ltd.	Tokyo, Japan	,000 Yen 1,000,000	PD	55
Medwell Taisho Co.,Ltd.	Saitama, Japan	,000 Yen 200,000	PD	100
Mejiro Real Estate Co.,Ltd.	Tokyo, Japan	,000 Yen 600,000	SMG	100
Shimoda Central Co.,Ltd.	Tokyo, Japan	,000 Yen 100,000	SMG	100 (100)
TAISHO ACTIVE HEALTH Co., Ltd.	Tokyo, Japan	,000 Yen 100,000	SMG	55
Taisho Pharmaceutical (Taiwan) Co.,Ltd.	Taiwan	,000 NT\$ 200,000	SMG	86.6
Taisho Pharmaceutical California Inc.	U.S.A.	,000 US\$ 41,050	SMG	100
Taisho Pharmaceutical (M) SDN. BHD.	Malaysia	,000 M\$ 24,380	SMG	100
Taisho Pharmaceuticals (Philippines), Inc.	Philippines	,000 Peso 18,900	SMG	100
PT. Taisho Indonesia	Indonesia	,000 rupiah 42,920,000	SMG	100
Taisho Foods Deutschland GmbH	Germany	,000 DM 600	SMG	100
Taisho Co.,Ltd. Shanghai	China	,000 US\$ 16,000	SMG	85
Taisho Pharmaceutical Asia (M) SDN. BHD.	Malaysia	,000 M\$ 26,500	SMG	100
Taisho Pharmaceutical (Europe) Ltd.	United Kingdom	,000 £ 20,000	SMG	100
Taisho Vietnam Co.,Ltd.	Vietnam	,000 VND 136,806,000	SMG	100
Taisho Pharmaceutical (H.K.) Ltd.	China	,000 HK\$ 163,000	SMG	100
Osotspa Taisho Co.,Ltd.	Thailand	,000 THB 15,000	SMG	49
Taisho (Australia) Pty. Ltd.	Australia	,000 A\$ 5,500	SMG	100
Taisho Pharmaceutical R&D Inc.	U.S.A.	,000 US\$ 4,000	PD	100
(2) Equity Accounting Method				
Toyama Chemical Co.,Ltd.	Tokyo, Japan	,000 Yen 22,400,205	PD	22
Yomeishu Seizo Co., Ltd.	Tokyo, Japan	,000 Yen 1,650,000	SMG	20
Taisho Hizon Manufacturing Inc.	Philippines	,000 Peso 17,000	SMG	50 (50)

\*SMG=Self-Medication operations PD=Prescription Pharmaceutical operations

## Non-consolidated Financial Data

(Yen Million)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)	(Est.) 07/3 (FY06)	
					1H	Full Year
Net Sales	268,920	240,562	232,858	223,034	108,000	218,000
(YOY%)	(1.0%)	(-10.5%)	(-3.2%)	(-4.2%)	(-2.5%)	(-2.3%)
Self-Medication operations	189,968	182,974	177,082	168,762	83,900	168,700
Prescription Pharmaceutical operations	78,952	57,588	55,776	54,272	24,100	49,300
Gross profit	199,403	171,740	164,669	152,692	73,500	148,400
Selling, general and administrative expenses	144,909	114,447	111,984	107,927	53,000	108,900
Research and development expenses	29,535	24,191	23,246	23,093	12,100	23,500
(YOY%)	(11.0%)	(10.1%)	(10.0%)	(10.4%)	(11.2%)	(10.8%)
Advertising expenses	17,661	17,414	17,012	15,992	7,600	15,800
Sales promotion expenses	26,530	15,254	15,583	15,588	6,500	15,800
Personnel expenses	-	-	20,214	17,515	8,800	17,700
Operating income	54,494	57,292	52,685	44,764	20,500	39,500
(YOY%)	(-10.8%)	(5.1%)	(-8.0%)	(-15.0%)	(-18.1%)	(-11.8%)
Recurring income	60,405	62,506	56,599	49,018	22,500	44,000
(YOY%)	(-10.0%)	(3.5%)	(-9.5%)	(-13.4%)	(-16.7%)	(-10.2%)
Net income	35,136	43,350	35,779	36,057	14,500	27,500
(YOY%)	(-5.7%)	(23.4%)	(-17.5%)	(0.8%)	(-15.1%)	(-23.7%)
EPS (yen)	105.05	135.51	115.09	116.74	47.04	88.98
Capital expenditure	8,636	8,529	6,905	12,773	5,500	10,500
Depreciation and amortization	16,364	15,020	13,139	12,475	6,200	12,300
Total assets	577,634	589,673	601,807	649,138	-	667,000
Shareholders' equity	488,101	507,024	524,085	572,015	-	590,000
Return on equity (* 1)	7.2%	8.7%	6.9%	6.6%	-	4.8%
Return on assets (* 1)	6.0%	7.4%	6.0%	5.8%	-	4.2%
Equity ratio	84.5%	86.0%	87.1%	88.1%	-	88.5%
Number of employees	4,430	3,363	3,312	3,315	-	-

(\* 1) Average of the beginning and year-end balance of shareholders' equity / total assets

## Non-consolidated Sales Breakdown by Category

(Yen Million)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)	Est. 07/3 (FY06)
Self-Medication operations: (YOY%)	189,968 (1.5%)	182,974 (-3.7%)	177,082 (-3.2%)	168,762 (-4.7%)	168,700 (-0.0%)
OTC products, etc.	185,051	178,080	172,258	163,697	162,900
Foods for Specified Health Use, etc.	3,671	3,581	3,456	3,801	4,600
Others	1,246	1,313	1,368	1,264	1,200
Prescription Pharmaceutical operations: (YOY%)	78,952 (-0.0%)	57,588 (-27.1%)	55,776 (-3.1%)	54,272 (-2.7%)	49,300 (-9.2%)
Ethical drugs	61,637	42,166	41,942	40,299	38,700
Others	10,994	9,811	8,893	10,862	9,600
Royalty income	6,321	5,611	4,941	3,111	1,000
Total	268,920	240,562	232,858	223,034	218,000

## Non-consolidated Sales Breakdown by Therapeutic Category

(Yen Million)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)
Nervous system and sensory organ drugs	42,871	39,757	38,714	36,748
Cardiovascular and digestive system drugs	35,168	28,281	28,116	27,608
Nutrient drugs	111,045	106,075	104,828	100,087
Dermatological preparations	30,458	26,892	23,416	21,678
Antibiotics and others	39,311	30,303	29,331	29,944
Foods for Specified Health Use, etc.	3,678	3,585	3,459	3,804
Royalty income	6,389	5,669	4,994	3,165
Total	268,920	240,562	232,858	223,034

## Non-consolidated Capital Expenditure (Breakdown by Area)

(Yen Million)

	03/3 (FY02)	04/3 (FY03)	05/3 (FY04)	06/3 (FY05)	Est. 07/3 (FY06)
Total capital expenditure	8,636	8,529	6,905	12,773	10,500
Omiya Factory	1,499	1,521	792	6,605	7,000
Hanyu Factory	84	136	144	195	100
Okayama Factory	63	175	46	1,860	200
Research Center	1,492	1,218	1,958	1,120	1,200
Others	5,498	5,479	3,965	2,993	2,000

## Shareholders Information (as of end of March 2006)

## Major Shareholders

(Thousands of Shares)

Shareholders	Number of shares	% of total
Uehara Memorial Foundation	43,000	13.42%
Shoji Uehara	36,615	11.43%
Northern Trust (AVFC) American	13,799	4.31%
Sumitomo Chemical	12,133	3.79%
The Bank of Tokyo-Mitsubishi UFJ	10,000	3.12%
Sumitomo Mitsui Banking Corp.	10,000	3.12%
Uehara Museum of Modern Art Foundation	10,000	3.12%
Akira Uehara	7,146	2.23%
Japan Trustee Services Bank	6,345	1.98%
Mellon Bank Treaty Clients Omnibus	6,132	1.91%

\* Not include treasury stock (3.83%)

## Distribution of Shareholders

Financial Institutions	15.13%
Securities Companies	0.34%
Other companies	34.13%
Foreign Companies	16.95%
Individuals and Others	33.45%
Total	100.00%

# New Drug Development

As of May 15, 2006

## (1) Development in Japan

### Preparation for launch

#### 1) Clarith

- < Application > Macrolide antibiotic agent
- < Development > Co-development with Abbott Japan
- < Remarks > Improved formula dry syrup for children

### Filed for application

#### 1) Clarith

- < Application > Macrolide antibiotic agent;  
*H. pylori* eradication in combination with rabeprazole and amoxicillin
- < Development > Co-development with Eisai, Abbott Japan, etc.
- < Remarks > Change of dosage and administration

### Preparation for filing

#### 1) T-3811 (oral)

- < Application > New-type quinolone antibacterial agent
- < Development > Co-development with Toyama Chemical

### Phase 2

#### 1) NT-702 (NM-702, overseas)

- < Application > Intermittent claudication (arteriosclerosis obliterans and spinal canal stenosis)
- < Development > Co-development with Nissan Chemical
- < Description > Expressed extremely strong vasodilation as well as platelet aggregate inhibition  
Expect improving intermittent claudication
- < Remarks > Overseas; Phase 2

#### 2) NT-702

- < Application > Asthma
- < Development > Co-development with Nissan Chemical
- < Description > Expressed bronchodilatation and inhibition of cellular infiltration

#### 3) TS-033

- < Application > Type 1 and 2 diabetes
- < Development > In-house
- < Description > Sodium dependent glucose cotransporter (SGLT) inhibitor

# New Drug Development

As of May 15, 2006

## (1) Development in Japan

### Phase 2

#### 4) TS-022

- < Application > Atopic dermatitis
- < Development > In-house

#### 5) Palux

- < Application > Intermittent claudication (spinal canal stenosis)
- < Development > In-house
- < Remarks > Additional indication

### Phase 1

#### 1) TS-021

- < Application > Type 2 diabetes
- < Development > In-house
- < Description > Dipeptidyl peptidase IV (DPP-IV) inhibitor

## (2) Development in Overseas Countries

### Phase 2

#### 1) NM-702 (NT-702, in Japan)

- < Application > Intermittent claudication (arteriosclerosis obliterans)
- < Development > Co-development with Nissan Chemical
- < Description > Expressed extremely strong vasodilation as well as platelet aggregate inhibition  
Expect improving intermittent claudication

#### 2) TS-033

- < Application > Type 1 and 2 diabetes
- < Development > In-house
- < Description > Sodium dependent glucose cotransporter (SGLT) inhibitor

### Phase 1

#### 1) TS-041

- < Application > Depression and anxiety
- < Development > Co-development with Janssen Pharmaceutica NV
- < Description > Corticotropin-releasing factor 1 (CRF1) receptor antagonist

#### 2) TS-011

- < Application > Acute stage of cerebral infarction
- < Development > In-house

# Launch of New Products

As of May 15, 2006

## (1) Over-the-counter drugs

### 1) Samon Vigor I

< Description > A tonic and nutrient mini-drink combining 11 herbs such as Muira Puama  
< Launch > April 2005

---

### 2) DENTWELL II [medicated] VC Cool Mint

< Description > A cool mint flavor of medicated toothpaste containing vitamin C  
< Launch > May 2005

---

### 3) ALFE VC

< Description > A quasi-drug vitamin C supplement drink containing 1000 mg of vitamin C,  
vitamin E and other active ingredients  
< Launch > May 2005

---

### 4) Lipovitan Wins A (Ace)

< Description > A new quasi-drug drink containing 3 tonic herbs, 2000 mg of taurine,  
a vitamin B1 derivative and other active ingredients, which is available  
at convenience stores  
< Launch > July 2005

---

### 5) IRIS ACE Tablet

< Description > Oral pharmaceutical vitamin supplement for people troubled by dry eyes  
and difficulty seeing at night  
< Launch > July 2005

---

### 6) Pabron Gargle AZ

< Description > A medicated gargle containing sodium azulene sulfonate(anti-inflammatory agent)  
< Launch > August 2005

---

### 7) Taisho Ken-i Ichoyaku

< Description > A pharmaceutical gastrointestinal drug containing 7 active ingredients  
that include stomachic herbs such as turmeric and ginger  
< Launch > September 2005

---

### 8) Naron Fresh C

< Description > An antipyretic analgesic containing ibuprofen, vitamin B1 and vitamin C  
< Launch > October 2005

---

# Launch of New Products

As of May 15, 2006

## (1) Over-the-counter drugs

### 9) ZENA F-IV

< Description > A tonic and nutrient mini-drink combining 15 herbs such as Muira Puama  
< Launch > October 2005

---

### 10) Lipovitan Fine

< Description > A sugar-free, low-calorie quasi-drug drink  
< Launch > October 2005

---

### 11) Glucocare Granules (stick-type packaging)

< Description > A FOSHU (Foods for Specified Health Use) for people who are concerned about their blood glucose level (convenient-to-carry stick-type packaging)  
< Launch > October 2005

---

### 12) Pabron Nasal Spray Z

< Description > A switch-OTC product containing ketotifen fumarate (antiallergic agent)  
< Launch > November 2005

---

### 13) ZENA F0-III

< Description > The third quasi-drug in the ZENA series  
< Launch > November 2005

---

### 14) Menfula <IM>

< Description > Plaster containing indomethacin, which alleviates shoulder and back pain  
< Launch > November 2005

---

### 15) DENTWELL II VC and interdental brush

< Description > Toothpaste and brush set: Medicated toothpaste containing vitamin C, DENTWELL II [medicated] VC (10 g), and interdental brush  
< Launch > November 2005

---

### 16) DENTWELL II VC and dental floss

< Description > Toothpaste and floss set: Medicated toothpaste containing vitamin C, DENTWELL II [medicated] VC (10 g), and dental floss  
< Launch > November 2005

---

# Launch of New Products

As of May 15, 2006

## (1) Over-the-counter drugs

### 17) Lipovitan D original version

- < Description > Lipovitan D, with the same design that was used in the original release  
(limited quantity for sale)  
< Launch > December 2005

### 18) IRIS AG Unit

- < Description > Single-dose eye drops that alleviate itching and congestion of the eyes  
< Launch > December 2005

### 19) IRIS Guard P

- < Description > Eye drops containing pranoprofen, an anti-inflammatory agent  
< Launch > January 2006

### 20) Canton Beauty

- < Description > A black tea drink containing Cantonese ginseng extract, which helps to maintain  
healthy skin and membranes  
< Launch > February 2006

### 21) IRIS CL

- < Description > A sterile filter is incorporated into the bottle. This artificial tears product does not  
contain preservative.  
< Launch > February 2006

### 22) Dermalin Ace Liquid

- < Description > An athlete's foot treatment containing amorolfine hydrochloride, and its  
penetration is well controlled by patented technology  
< Launch > March 2006

### 23) Naturalcare Tablet

- < Description > A FOSHU (Foods for Specified Health Use) containing sardine peptides,  
which mildly reduce blood pressure  
< Launch > March 2006

### 24) Livita Q10 Green Tea

- < Description > This is the first green tea drink in Japan to contain stabilized coenzyme Q10  
< Launch > March 2006

# Launch of New Products

As of May 15, 2006

## (1) Over-the-counter drugs

### 25) Nourish <biboukassai>

< Description > There are supplements and four basic skincare products  
under this skincare brand

< Launch > March 2006

---

## (2) Ethical drugs

### 1) Palux injection Dispo 10µg

< Description > An injection kit of prostagrandin E1 preparation "Palux injection 10µg"

< Launch > August 2005

---

### 2) Sumilu Tape

< Description > Topical anti-inflammatory analgesic containing felbinac (compress)

< Launch > November 2005

---

### 3) Sumilu Stick

< Description > Topical anti-inflammatory analgesic containing felbinac (hard-gel form)

< Launch > November 2005

---