

Reference Data

3rd Quarter - Fiscal Year 2006

(April 1, 2006 to December 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

New Drug Development / New Products

- New Drug Development P 9
- Launch of New Products P12

Consolidated Financial Data

(Yen Million)

	March 06(FY2005)			March 07(FY2006)				
	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year E (revised)	Full year E (Nov.)
Net Sales	134,320	204,005	271,407	54,584	121,971	184,909	240,500	249,000
(YOY%)	(-4.3%)	(-2.6%)	(-2.9%)	(-5.0%)	(-9.2%)	(-9.4%)	(-11.4%)	(-8.3%)
Self-Medication operations	86,918	130,834	174,831	33,155	77,744	115,415	148,500	158,200
Prescription Pharmaceutical operations	47,402	73,170	96,576	21,429	44,227	69,494	92,000	90,800
Gross profit	93,088	139,789	184,720	37,565	81,660	123,077	158,000	164,600
Selling, general and administrative expense	67,503	103,700	138,325	31,784	66,942	100,996	136,500	137,600
Research and development expenses (% Sales)	11,635 (8.7%)	17,416 (8.5%)	23,072 (8.5%)	6,004 (11.0%)	12,361 (10.1%)	18,390 (9.9%)	27,100 (11.3%)	27,500 (11.0%)
Advertising expenses	8,355	12,900	16,189	3,781	7,662	11,785	14,800	15,200
Sales promotion expenses	12,267	20,387	28,535	5,245	13,177	20,353	27,900	27,200
Persornnel expenses	16,802	25,471	33,259	8,308	16,422	24,807	32,800	33,100
Operating income	25,585	36,089	46,395	5,781	14,717	22,081	21,500	27,000
(YOY%)	(-17.6%)	(-14.4%)	(-15.2%)	(-19.3%)	(-42.5%)	(-38.8%)	(-53.7%)	(-41.8%)
Recurring income	26,321	37,565	49,748	6,818	16,423	24,717	25,500	31,000
(YOY%)	(-22.8%)	(-17.5%)	(-14.3%)	(-16.4%)	(-37.6%)	(-34.2%)	(-48.7%)	(-37.7%)
Net income	15,559	22,350	35,884	4,052	12,329	17,182	17,500	20,500
(YOY%)	(-25.1%)	(-16.6%)	(1.1%)	(-4.6%)	(-20.8%)	(-23.1%)	(-51.2%)	(-42.9%)
EPS (yen)	50.47	72.51	116.18	13.15	40.01	55.97	57.84	66.53
Capital expenditure	6,434	8,948	13,397	2,254	4,733	7,145	9,800	9,800
Depreciation and amortization	6,216	9,451	12,809	3,023	6,050	9,081	12,200	12,200
Total assets	624,743	636,884	664,431	641,290	654,138	642,651	672,000	675,000
Shareholders' equity	535,987	549,774	567,364	558,635	566,825	560,669	577,000	580,000
Return on equity(%) (* 1)	-	-	6.6%	-	-	-	3.1%	3.6%
Return on assets(%) (* 1)	-	-	5.6%	-	-	-	2.6%	3.1%
Equity ratio(%)	85.8%	86.3%	85.4%	86.8%	86.3%	86.9%	85.6%	85.9%
Overseas sales ratio	3.8%	3.3%	3.1%	3.2%	3.0%	2.9%	-	-
Number of employees	5,220	-	5,191	-	5,275	-	-	-

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

Consolidated Balance Sheets

(Yen million)

	End of December 2005		End of December 2006		change	End of March 06	
		% total		% total			% total
(Assets)							
Current assets:							
Cash and deposits	109,402		121,596		12,194	155,205	
Notes and accounts receivable-trade	89,984		79,297		-10,687	76,718	
Marketable securities	5,393		3,179		-2,214	3,492	
Inventories	24,743		24,038		-704	23,612	
Deferred tax assets	8,068		8,229		160	8,160	
Others	4,057		7,118		3,060	4,528	
Sub-total	241,649		243,459		1,809	271,717	
Allowance for doubtful accounts	-617		-452		164	-561	
Total current assets	241,032	37.8%	243,007	37.8%	1,974	271,156	40.8%
Fixed assets:							
(1) Tangible fixed assets:							
Buildings and structures	50,854		48,344		-2,509	50,638	
Machinery and equipment	9,930		9,354		-576	10,095	
Land	27,231		27,389		157	27,233	
Construction in progress	4,303		8,701		4,397	5,853	
Others	5,327		4,798		-528	5,221	
Total tangible fixed assets	97,647	(15.3%)	98,588	(15.3%)	941	99,041	(14.9%)
(2) Intangible fixed assets:							
Goodwill	148		153		5	171	
Trademarks	7,131		4,791		-2,339	6,546	
Software	3,727		3,041		-685	3,842	
Others	196		194		-1	198	
Total intangible fixed assets	11,203	(1.8%)	8,181	(1.3%)	-3,022	10,758	(1.6%)
(3) Investments and other assets:							
Investments in securities	280,018		286,632		6,613	276,614	
Long-term prepaid expenses	2,899		1,977		-922	2,615	
Deferred tax assets	682		819		137	723	
Others	3,638		3,678		39	3,759	
Sub-total	287,239		293,107		5,867	283,713	
Allowance for doubtful receivables-long term	-239		-233		6	-239	
Total investments and other assets	287,000	(45.1%)	292,874	(45.6%)	5,873	283,474	(42.7%)
Total fixed assets	395,851	62.2%	399,644	62.2%	3,792	393,274	59.2%
Total assets	636,884	100.0%	642,651	100.0%	5,766	664,431	100.0%

< Major reasons for changes in selected items >

Marketable securities down ¥2.2 billion

(Bond redemptions down ¥5.2 billion; reclassification from investments in securities up ¥2.9 billion)

Construction in progress up ¥4.3 billion

(Increase of ¥5.6 billion at pharmaceutical manufacturing building no. 2 at the Omiya Factory)

Trademarks down ¥2.3 billion (Due to amortization)

Investments in securities up ¥6.6 billion

(Purchase of bonds up ¥31.6 billion; purchase of shares up ¥12.2 billion;

decrease in revaluation gain down ¥2.4 billion; sale of bonds down ¥31.0 billion)

Consolidated Balance Sheets

(Yen million)

	End of December 2005		End of December 2006		change	End of March 06	
		% total		% total			% total
Current liabilities:							
Notes and accounts payable-trade	24,540		22,213		-2,327	21,798	
Short-term loans	285		285		-	260	
Accounts payable	11,883		10,732		-1,151	14,062	
Accrued corporate tax	4,321		6,790		2,468	7,237	
Accrued expenses	7,016		6,879		-137	7,875	
Adjustment allowance for returns	1,016		970		-45	893	
Allowance for bonuses	1,394		1,398		3	3,917	
Allowance for bonuses to directors	-		54		54	-	
Others	2,261		1,861		-400	1,680	
Total current liabilities	52,718	8.3%	51,183	8.0%	-1,535	57,724	8.7%
Long-term liabilities:							
Reserves for retirement benefits	19,219		17,012		-2,207	18,763	
Reserves for directors' retirement payments	1,564		1,621		56	1,589	
Deferred taxes liabilities	2,959		6,088		3,128	9,473	
Others	8,368		6,075		-2,293	7,338	
Total long-term liabilities	32,112	5.0%	30,798	4.8%	-1,314	37,165	5.6%
Total liabilities	84,831	13.3%	81,981	12.8%	-2,850	94,890	14.3%
(Minority interest)							
Minority interest	2,278	0.4%	-	-	-	2,176	0.3%
(Shareholders' equity)							
Common stock	29,804	4.7%	-	-	-	29,804	4.5%
Additional paid-in capital	14,935	2.3%	-	-	-	14,935	2.3%
Retained earnings	501,473	78.7%	-	-	-	515,006	77.5%
Unrealized gain on securities	30,696	4.8%	-	-	-	34,065	5.1%
Foreign currency adjustment accounts	-3,919	-0.6%	-	-	-	-3,193	-0.5%
Treasury stock	-23,214	-3.6%	-	-	-	-23,253	-3.5%
Total shareholders' equity	549,774	86.3%	-	-	-	567,364	85.4%
Total liabilities, minority interest, and shareholders' equity	636,884	100.0%	-	-	-	664,431	100.0%
(Net assets)							
Shareholders' equity							
Common Stock	-	-	29,804	4.6%	-	-	-
Additional paid-in capital	-	-	14,935	2.3%	-	-	-
Retained earnings	-	-	522,928	81.4%	-	-	-
Treasury stock	-	-	-35,186	-5.4%	-	-	-
Total shareholders' equity	-	-	532,481	82.9%	-	-	-
Valuation, translation, adjustments and others							
Unrealized gain on securities	-	-	28,813	4.4%	-	-	-
Deferred gain and loss from hedging	-	-	-15	-0.0%	-	-	-
Foreign currency adjustment accounts	-	-	-2,588	-0.4%	-	-	-
Total valuation, translation, adjustments and others	-	-	26,209	4.0%	-	-	-
Minority interest	-	-	1,978	0.3%	-	-	-
Total net assets	-	-	560,669	87.2%	-	-	-
Total liabilities and net assets	-	-	642,651	100.0%	-	-	-

< Major reasons for changes in selected items >

Reserves for retirement benefits down ¥2.2 billion

(Retirement benefit costs up ¥2.1 billion; contributions to defined benefit corporate pension plan down ¥3.9 billion)

Deferred taxes liabilities up ¥3.1 billion

(due to decrease of reserves for retirement benefit, up ¥5.6 billion)

Unrealized gain on securities down ¥1.8 billion (Unrealized gain of investments in securities)

Other long-term liabilities down ¥2.2 billion (Contributions to defined pension plan down ¥1.1 billion)

short term transfer down ¥1.0 billion)

Treasury stock down ¥11.9 billion (share buyback)

Consolidated P/L Statement

(Yen million)

	FY2005 3Q (April-Dec.)		FY2006 3Q (April-Dec.)		YOY Change	FY2005 Full year	
		% Sales		% Sales			% Sales
Net sales	204,005	100.0%	184,909	100.0%	-19,095	271,407	100.0%
Cost of sales	63,815	31.3%	61,755	33.4%	-2,059	86,408	31.8%
Gross profit on sales	140,189	68.7%	123,154	66.6%	-17,035	184,999	68.2%
Reversal of provision for sales returns	615	0.3%	882	0.5%	266	615	0.2%
Provision for sales returns	1,016	0.5%	958	0.5%	-57	893	0.3%
Gross profit	139,789	68.5%	123,077	66.6%	-16,711	184,720	68.1%
Selling, general and administrative expenses	103,700	50.8%	100,996	54.7%	-2,704	138,325	51.0%
Depreciation and amortization	4,704		4,609		-95	6,335	
Research and development expenses	17,416		18,390		974	23,072	
Advertising expenses	12,900		11,785		-1,115	16,189	
Sales promotion expenses	20,387		20,353		-34	28,535	
Others	48,290		45,856		-2,434	64,191	
Operating income	36,089	17.7%	22,081	11.9%	-14,007	46,395	17.1%
Non-operating income	4,016	2.0%	4,308	2.4%	291	5,178	1.9%
Interest income	2,848		3,086		238	3,833	
Dividend income	542		728		186	548	
Rent income on real estate	81		78		-2	108	
Others	544		414		-130	688	
Non-operating expenses	2,540	1.3%	1,672	0.9%	-867	1,825	0.7%
Interest expenses	3		3		0	4	
Investment loss in affiliates using the equity accounting method	1,527		1,263		-264	637	
Others	1,009		405		-603	1,182	
Recurring income	37,565	18.4%	24,717	13.4%	-12,848	49,748	18.3%
Extraordinary gains	762	0.4%	4,252	2.3%	3,490	9,348	3.4%
Profit on sales of investment securities	-		-		-	89	
Profit on sales of fixed assets	3		4,156		4,152	3	
Gain on transfer to defined contribution pension plan	759		-		-759	759	
Profit on sales of affiliate's stock	-		-		-	-	
Others	-		96		96	8,496	
Extraordinary losses	730	0.4%	130	0.1%	-599	785	0.3%
Evaluation loss on investment securities	0		3		2	0	
Loss on disposal of fixed assets	521		127		-393	574	
Loss on sales of investment securities	-		-		-	-	
Asset impairment loss	208		-		-208	208	
Income before income taxes and minority interests	37,597	18.4%	28,839	15.6%	-8,758	58,311	21.5%
Corporate and inhabitants' taxes	15,426	7.5%	11,971	6.5%	-3,454	18,625	6.9%
Corporate tax adjustment	-207	-0.1%	-110	-0.1%	96	3,892	1.4%
Minority interest gain (loss) of consolidated subsidiaries	27	0.0%	-204	-0.1%	-232	-89	0.0%
Net income	22,350	11.0%	17,182	9.3%	-5,167	35,884	13.2%

< Fiscal year 2006/3Q highlights >

Cost of sales ratio increased from 31.3% to 33.4%

Due to lower sales of Lipovitan series and other mainstay brands of Self-Medication operations

Decrease in royalty income

Selling, general & administrative expenses

Advertising expenses were ¥11.7 billion (down ¥1.1 billion) due to a review of the advertising budget

Consolidated Sales Breakdown by Category

(Yen Million)

	March 06(FY2005)			March 07(FY2006)				
	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year E (revised)	Full year E (Nov.)
Self-Medication operations :	86,918	130,834	174,831	33,155	77,744	115,415	148,500	158,200
(YOY%)	(-7.9%)	(-5.7%)	(-4.7%)	(-4.5%)	(-10.6%)	(-11.8%)	(-15.1%)	(-9.5%)
OTC products, etc.	82,090	122,991	163,866	30,432	72,084	106,716	137,800	147,100
Foods for Specified Health Use, etc.	3,565	5,937	8,140	2,051	4,107	6,426	8,000	8,600
Others	1,263	1,906	2,825	672	1,553	2,273	2,700	2,500
Prescription Pharmaceutical operations :	47,402	73,170	96,576	21,429	44,227	69,494	92,000	90,800
(YOY%)	(3.0%)	(3.6%)	(0.6%)	(-5.8%)	(-6.7%)	(-5.0%)	(-4.7%)	(-6.0%)
Ethical drugs	39,862	61,789	81,779	18,684	38,693	60,206	79,700	79,700
Others	5,066	8,667	11,686	2,404	4,739	8,313	11,100	9,900
Royalty income	2,474	2,714	3,111	341	795	975	1,200	1,200
Total	134,320	204,005	271,407	54,584	121,971	184,909	240,500	249,000

Consolidated Operating Income by Category

(Yen Million)

	March 06(FY2005)			March 07(FY2006)				
	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year E (revised)	Full year E (Nov.)
Self-Medication operations	19,074	25,874	33,602	3,430	10,737	15,058	16,900	22,100
(YOY%)	(-22.0%)	(-16.9%)	(-13.9%)	(-18.4%)	(-43.7%)	(-41.8%)	(-49.7%)	(-34.2%)
Prescription Pharmaceutical operations	6,510	10,214	12,793	2,350	3,980	7,022	4,600	4,900
(YOY%)	(-1.3%)	(-7.4%)	(-18.4%)	(-20.6%)	(-38.9%)	(-31.3%)	(-64.0%)	(-61.7%)
Total	25,585	36,089	46,395	5,781	14,717	22,081	21,500	27,000

Sales and income of Taisho Toyama Pharmaceutical (consolidated subsidiary)

(Yen Billion)

	March 06(FY2005)			March 07(FY2006)				
	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year E (revised)	Full year E (Nov.)
Taisho Toyama Pharmaceutical Sales	403	625	827	188	390	606	800	800
Taisho products	298	465	617	144	293	458	597	597
Toyama Chemical products	104	160	209	44	97	148	203	203
Recurring income	3	8	9	-1	-3	0	4	10
Net income	-3	0	-3	-2	-6	-6	-6	0

(Rounded to the nearest hundred-million)

Consolidated Sales of Leading Products

(Yen Billion)

	March 06(FY2005)			March 07(FY2006)					
	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	3Q (4-12)	YOY	Full year E (revised)	Full year E (Nov.)
OTC products, etc.	82.1	123.0	163.9	30.4	72.1	106.6	-13.3%	137.8	147.1
Lipovitan series	51.3	71.7	91.4	18.2	43.3	59.6	-16.9%	72.0	78.0
Lipovitan D	39.4	54.7	68.2	13.6	32.5	43.9	-19.9%	52.0	56.3
Others	11.9	17.0	23.2	4.5	10.8	15.7	-7.5%	20.0	21.7
ZENA series	2.0	3.5	4.9	0.8	1.8	3.0	-13.5%	4.9	4.9
Pabron series	9.2	18.3	26.1	3.4	9.2	16.5	-10.0%	23.1	26.3
RIUP series	6.0	8.6	12.0	1.7	4.4	6.4	-25.2%	8.5	9.0
Gastrointestinal treatments	2.1	3.6	4.9	1.0	2.0	3.5	-2.3%	4.6	4.7
Foods for Specified Health Use, etc.	3.6	5.9	8.1	2.1	4.1	6.4	8.3%	8.0	8.6
Livita series	1.0	1.6	2.4	0.6	1.1	1.6	1.6%	2.1	2.8
Overseas drinks	2.1	3.2	4.3	1.2	2.4	3.7	16.0%	4.6	4.6
Ethical drugs	39.9	61.8	81.8	18.7	38.7	60.2	-2.6%	79.7	79.7
Clarith	12.0	19.7	27.5	6.4	12.1	19.9	0.7%	27.0	27.0
Palux	6.3	9.4	12.0	2.7	5.8	8.8	-5.7%	11.0	11.0
PENTCILLIN	3.4	5.1	6.6	1.3	3.1	4.7	-8.0%	6.3	6.3
Lorcam	2.4	3.5	4.5	1.0	2.2	3.3	-7.1%	4.2	4.2
TOMIRON	2.0	3.2	4.2	0.8	1.7	2.5	-19.6%	3.8	3.8
OZEX	1.5	2.4	3.3	0.6	1.4	2.3	-2.1%	3.2	3.2
Metligine	1.1	1.7	2.1	0.5	1.1	1.6	-7.3%	2.0	2.0
LIMAS	1.2	1.8	2.4	0.6	1.2	1.8	-4.7%	2.3	2.3
SOLOON	1.0	1.6	2.0	0.4	0.9	1.4	-13.1%	1.7	1.7
LUPRAC	1.0	1.5	1.9	0.5	1.0	1.5	3.0%	2.0	2.0
PASIL	0.6	1.0	1.2	0.3	0.6	0.9	-4.8%	1.2	1.2

(Rounded to the nearest hundred-million)

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

	March 06(FY2005)			March 07(FY2006)			
	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	3Q (4-12)	YOY
Drug-oriented channels	27.5	38.9	50.1	10.2	22.8	32.9	-15.3%
Food-oriented channels	26.6	37.5	47.5	9.1	23.0	30.7	-18.1%
Total	54.1	76.3	97.7	19.3	45.9	63.6	-16.7%

(Rounded to the nearest hundred-million)

Lipovitan D: Sales Breakdown by Channel (parent basis)

(Yen Billion)

	March 06(FY2005)			March 07(FY2006)			
	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	3Q (4-12)	YOY
Drug-oriented channels	18.4	25.2	30.8	6.8	13.6	20.6	-18.4%
Food-oriented channels	21.0	29.5	37.4	6.8	18.9	23.3	-21.1%
Total	39.4	54.7	68.2	13.6	32.5	43.9	-19.9%

(Rounded to the nearest hundred-million)

Consolidated: Capital Expenditure (Breakdown by Area)

(Yen million)

	March 06(FY2005)			March 07(FY2006)				
	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year E (revised)	Full year E (Nov.)
Total capital expenditure	6,434	8,948	13,397	2,254	4,733	7,145	9,800	9,800
Omiya Factory	2,673	4,091	6,605	1,884	3,962	4,474	7,000	7,000
Hanyu Factory	21	97	195	8	19	21	100	100
Okayama Factory	1,414	1,759	1,860	-	19	23	200	200
Research Center	409	782	1,120	41	154	567	1,100	1,100
Others	1,917	2,219	3,617	321	579	2,060	1,400	1,400

Consolidated: R&D Expenses

(Yen million)

	March 06(FY2005)			March 07(FY2006)				
	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year E (revised)	Full year E (Nov.)
Total R&D expenses	11,635	17,416	23,072	6,004	12,361	18,390	27,100	27,500
Self-Medication operations	3,159	5,101	6,709	2,270	4,397	6,331	7,700	7,700
Prescription Pharmaceutical operations	8,476	12,315	16,362	3,734	7,963	12,058	19,400	19,800

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.	Saitama, 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 2,000,000	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 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

New Drug Development

As of January 31, 2007

(1) Development in Japan -1

Approved

1) Clarith

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

Filed for application

1) T-3811 (Oral)

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

Phase 2/3

1) CT-064 (Injection)

- < Application > Osteoporosis
- < Development > Co-development with Chugai Pharmaceutical
- < Description > Antiresorptive bisphosphonate
- < Remarks > Chugai Pharmaceutical development code: R484

Phase 2

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

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

2) TT-063

- < Application > Osteoarthritis, scapulohumeral periarthritis, myalgia and other conditions
- < Development > Co-development with Tokuhon
- < Description > Anti-inflammatory analgesic patch formulation containing S-flurbiprofen

3) CT-064 (Oral)

- < Application > Osteoporosis
- < Development > Co-development with Chugai Pharmaceutical
- < Description > Antiresorptive bisphosphonate
- < Remarks > Chugai Pharmaceutical development code: R484

New Drug Development

As of January 31, 2007

(1) Development in Japan -2

Phase 2

4) NT-702

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

5) TS-033

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

6) TS-022

- < Application > Pruritus caused by Atopic dermatitis
- < Development > In-house
- < Description > Prostaglandin derivative

7) Palux

- < Application > Intermittent claudication caused by 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
- < Remarks > Overseas; Phase 1

New Drug Development

As of January 31, 2007

(2) Development in Overseas Countries

Phase 2

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

- < Application > Intermittent claudication caused by arteriosclerosis obliterans
- < Development > Co-development with Nissan Chemical
- < Description > Expressed extremely strong vasodilation as well as platelet aggregate inhibition
- < Remarks > In Japan; Phase 2 (Intermittent claudication caused by arteriosclerosis obliterans, Intermittent claudication caused by spinal canal stenosis)

2) TS-033

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

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
- < Description > 20-hydroxyeicosatetraenoic acid (20-HETE) synthesizing enzyme inhibitor

3) TS-021

- < Application > Type 2 diabetes
- < Development > In-house
- < Description > Dipeptidyl peptidase IV (DPP-IV) inhibitor
- < Remarks > In Japan; Phase 1

Launch of New Products

As of January 31, 2007

(1) Self-Medication Operation Group

1) DENTWELL III [medicated] VC Cool Mint

< Description > A cool mint flavor of medicated toothpaste containing 3% of vitamin C
< Launch > May 2006

2) DENTWELL III [medicated] VC Rose Hip

< Description > A rose hip flavor of medicated toothpaste containing 3% of vitamin C
< Launch > May 2006

3) DENTWELL II Toothbrush C

< Description > A compact head toothbrush designed by periodontist
< Launch > May 2006

4) Naron Ace Plus

< Description > An anti-pyretics and analgesics containing an ingredient to protect gastrointestinal mucosa in addition to 2 analgesic formulations of the existing *Naron Ace*
< Launch > May 2006

5) Nourish BB Drink

< Description > A quasi-drug nutrient mini-drink containing vitamin B2, B6 and iron (mail order only)
< Launch > June 2006

6) Lipovitan D Maxio

< Description > A quasi-drug nutrient drink containing 3,000mg of taurine
< Launch > July 2006

7) Karada Kankyo Aojiru (squeezed vegetable extract)

< Description > An exclusively mail order green juice containing 17 oriental ingredients added to young barley leaves
< Launch > September 2006

8) Pabron Hand Jell 365

< Description > A rub-on antiseptic hand jell for eradicating influenza viruses and germs
< Launch > September 2006

9) Pabron Throat Spray 365

< Description > A quasi-drug throat spray containing cetylpyridinium chloride
< Launch > September 2006

Launch of New Products

As of January 31, 2007

(1) Self-Medication Operation Group

10) Pabron Gauze Mask

< Description > A gauze mask containing an advanced function filter
< Launch > September 2006

11) Single-use Pabron Mask

< Description > A solid four-layer non-woven mask containing an advanced function filter
< Launch > September 2006

12) VICKS Medicated Drops (Plum Flavor)

< Description > An additional flavor of *VICKS Medicated Drops* especially developed for Japan
< Launch > September 2006

13) Menfula Stick

< Description > A topical anti-inflammatory analgesic stick containing piroxicam
< Launch > September 2006

14) Lipovitan VC

< Description > A quasi-drug nutrient drink, the first in the *Lipovitan* series to contain vitamin C
< Launch > September 2006

15) Lipovitan 11 NEW

< Description > A quasi-drug nutrient drink containing 13 active ingredients
< Launch > September 2006

16) Livita Q10 Tablet

< Description > A tablet supplement containing a 60mg daily dose of Coenzyme Q10
< Launch > October 2006

17) Livita Q10 Cream

< Description > A functional skin-care cream containing Coenzyme Q10 and other skin-moisterizing ingredients
< Launch > October 2006

18) NEW ZENA F-II

< Description > A nutrient mini-drink containing 14 herbal ingredients, including the herbal plant muira puama
< Launch > November 2006

Launch of New Products

As of January 31, 2007

(1) Self-Medication Operation Group

19) NEW ZENA F-III

- < Description > A proprietary nutrient mini-drink made by adding muira puama to an Asian herbal remedy used in Chinese natural medicine
< Launch > November 2006

20) DENTWELL Dental Rinse

- < Description > A medicated liquid mouthwash containing cetylpyridinium chloride and another sterilizing ingredient
< Launch > November 2006

21) DENTWELL Mouth Spray

- < Description > A spray-type mouth freshener effective for such uses as counteracting bad breath caused by periodontitis
< Launch > November 2006

22) Lipovitan Royal 11

- < Description > A quasi-drug mini-drink containing 11 active constituents, including three herbal ingredients
< Launch > November 2006

23) Pabron Rhinitis Capsule-Z

- < Description > A switch-OTC oral medicine for treating rhinitis containing the anti-allergic agent ketotifen fumarate
< Launch > December 2006

24) Gen-en Shukan Soy Sauce

- < Description > A special-purpose food for people with high blood pressure that has half the salt (sodium) content of normal soy sauce
< Launch > December 2006

As of January 31, 2007

(2) Prescription Pharmaceutical Operation Group

1) Clarith Dry Syrup for Pediatric

- < Description > Improved formulation of macrolide antibiotics *Clarith Dry Syrup for Pediatric*
< Launch > June 2006