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Fiscal Year 2007

(April 1, 2007 to March 31, 2008)

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Consolidated Financial Data

(Yen Million)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	(Est.)	
					March 09 (FY08)	
					1H	Full Year
Net Sales	279,437	271,407	242,071	249,655	124,000	252,000
(YOY%)	(-2.4%)	(-2.9%)	(-10.8%)	(3.1%)	(2.7%)	(0.9%)
Self-Medication operations	183,416	174,831	149,486	152,678	80,600	161,100
Prescription Pharmaceutical operations	96,020	96,576	92,585	96,977	43,400	90,900
Gross profit	194,582	184,720	159,850	164,488	82,300	165,600
Selling, general and administrative expenses	139,883	138,325	137,493	127,535	67,300	132,600
Research and development expenses	23,221	23,072	28,519	24,745	14,300	24,800
(% Sales)	(8.3%)	(8.5%)	(11.8%)	(9.9%)	(11.5%)	(9.8%)
Advertising expenses	17,273	16,189	14,594	14,303	8,200	17,500
Sales promotion expenses	28,247	28,535	27,707	24,793	12,400	25,100
Personnel expenses	33,935	33,259	32,610	32,603	16,700	33,500
Operating income	54,698	46,395	22,357	36,952	15,000	33,000
(YOY%)	(-5.2%)	(-15.2%)	(-51.8%)	(65.3%)	(-21.6%)	(-10.7%)
Ordinary income	58,063	49,748	24,926	41,896	16,500	37,500
(YOY%)	(-5.1%)	(-14.3%)	(-49.9%)	(68.1%)	(-26.5%)	(-10.5%)
Net income	35,489	35,884	15,420	25,004	9,500	22,500
(YOY%)	(-13.3%)	(1.1%)	(-57.0%)	(62.1%)	(-32.6%)	(-10.0%)
EPS (yen)	114.15	116.18	50.54	84.01	31.95	75.67
Capital expenditure	7,074	13,397	8,066	5,765	2,400	8,900
Depreciation and amortization	13,501	12,809	12,134	11,733	5,300	10,800
Total assets	613,802	664,431	631,929	627,224	632,000	642,000
Shareholders' equity	517,634	567,364	547,486	548,650	554,000	563,000
Return on equity(%) (* 1)	7.0%	6.6%	2.8%	4.6%	-	4.1%
Return on assets(%) (* 1)	5.8%	5.6%	2.4%	4.0%	-	3.5%
Equity ratio(%)	84.3%	85.4%	86.3%	86.1%	86.3%	86.3%
Overseas sales ratio	3.5%	3.1%	3.0%	4.5%	-	-
Number of employees	5,339	5,191	5,191	5,327	-	-

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

Consolidated Balance Sheets

(Yen million)

	End of FY2006		End of FY2007		change
	(March 31, 07)	% total	(March 31, 08)	% total	
(Assets)					
I Current assets:					
Cash and deposits	131,263		127,955		-3,308
Notes and accounts receivable-trade	72,242		61,625		-10,617
Marketable securities	2,077		25,195		23,117
Inventories	22,915		24,074		1,158
Deferred tax assets	7,495		7,941		446
Others	4,867		2,907		-1,959
Sub-total	240,862		249,699		8,837
Allowance for doubtful accounts	-445		-236		209
Total current assets	240,416	38.0%	249,463	39.8%	9,046
II Fixed assets:					
(1) Tangible fixed assets:					
Buildings and structures	47,641		51,998		4,356
Machinery and equipment	9,213		11,126		1,912
Land	27,389		29,657		2,267
Construction in progress	9,019		167		-8,851
Others	4,530		4,198		-331
Total tangible fixed assets	97,796	(15.5%)	97,149	(15.5%)	-646
(2) Intangible fixed assets:					
Goodwill	133		15,907		15,773
Trademarks	4,206		3,197		-1,009
Software	2,965		3,450		484
Others	205		197		-7
Total intangible fixed assets	7,511	(1.2%)	22,751	(3.6%)	15,240
(3) Investments and other assets:					
Investments in securities	260,046		216,968		-43,077
Affiliates' stock	20,069		29,679		9,610
Long-term prepaid expenses	1,697		1,823		125
Deferred tax assets	924		4,953		4,028
Others	3,690		4,753		1,063
Sub-total	286,429		258,179		-28,249
Allowance for doubtful receivables-long term	-224		-320		-96
Total investments and other assets	286,204	(45.3%)	257,858	(41.1%)	-28,346
Total fixed assets	391,512	62.0%	377,760	60.2%	-13,751
Total assets	631,929	100.0%	627,224	100.0%	-4,705

<Major reasons for changes in selected items>

- Marketable securities up ¥23.1 billion
(Increase of ¥27.2 billion due to transfer from investments in securities;
decrease of ¥3.8 billion due to bond redemptions)
- Construction in progress down ¥8.8 billion
(Decrease of ¥8.8 billion at pharmaceutical manufacturing building No.2 at the Omiya Factory)
- Goodwill up ¥15.8 billion
(Increase accompanying the consolidation of Biofermin Pharmaceutical Co., Ltd.)
- Investments in securities down ¥43.0 billion
(Decrease of ¥27.2 billion due to transfer to marketable securities; decrease of ¥11.0 billion due to bond redemptions;
increase of ¥18.4 billion due to purchase of bonds; increase of ¥3.5 billion due to purchase of shares;
decrease of ¥28.7 billion due to decrease in unrealized gain of investments in securities)
- Affiliates' stock up ¥9.6 billion
(Increase of ¥10.6 billion due to increased investment via private placement in Toyama Chemical)

Consolidated Balance Sheets

(Yen million)

	End of FY2006		End of FY2007		change
	(March 31, 07)	% total	(March 31, 08)	% total	
(Liabilities)					
I Current liabilities:					
Notes and accounts payable-trade	20,380		20,159		-221
Short-term loans	225		260		35
Accounts payable	13,698		12,660		-1,038
Accrued corporate tax	6,151		9,730		3,578
Accrued expenses	7,463		7,188		-274
Adjustment allowance for returns	889		773		-115
Allowance for bonuses	3,963		4,292		328
Allowance for bonuses to directors	73		—		-73
Others	1,063		577		-485
Total current liabilities	53,909	8.5%	55,643	8.9%	1,733
II Long-term liabilities:					
Long-term loans payable	—		1,050		1,050
Reserves for retirement benefits	16,428		15,128		-1,300
Reserves for directors' retirement payments	1,646		1,929		282
Deferred taxes liabilities	6,436		740		-5,696
Others	6,021		4,083		-1,938
Total long-term liabilities	30,533	4.9%	22,930	3.6%	-7,602
Total liabilities	84,443	13.4%	78,573	12.5%	-5,869
(Net assets)					
I Shareholders' equity					
Common Stock	29,804	4.7%	29,804	4.8%	—
Additional paid-in capital	14,935	2.4%	14,935	2.4%	—
Retained earnings	521,167	82.5%	534,550	85.2%	13,383
Treasury stock	-45,497	-7.2%	-46,437	-7.4%	-940
Total shareholders' equity	520,409	82.4%	532,852	85.0%	12,443
II Valuation, translation, adjustments and others					
Unrealized gain on securities	27,207	4.3%	9,630	1.5%	-17,576
Deferred gain and loss from hedging	-16	-0.0%	-14	-0.0%	2
Foreign currency adjustment accounts	-1,978	-0.3%	-2,392	-0.4%	-414
Total valuation, translation, adjustments and others	25,212	4.0%	7,223	1.1%	-17,988
III Minority interest	1,864	0.2%	8,573	1.4%	6,709
Total net assets	547,486	86.6%	548,650	87.5%	1,164
Total liabilities and net assets	631,929	100.0%	627,224	100.0%	-4,705

<Major reasons for changes in selected items>

- Reserves for retirement benefits down ¥1.3 billion
(Increase of ¥1.7 billion due to retirement benefit costs; decrease of ¥4.2 billion due to contributions of defined benefit corporate pension plan; increase of ¥1.0 billion due to transfer to prepaid pension expenses)
- Deferred tax liabilities down ¥5.6 billion
(Decrease of ¥6.4 billion due to decrease in unrealized gain on securities)
- Unrealized gain on securities down ¥17.5 billion (decrease in unrealized gain of investments in securities)
- Minority interests up ¥6.7 billion
(Increase of ¥6.5 billion from Biofermin Pharmaceutical)

Consolidated P/L Statement

(Yen million)

	March 2007 (FY2006)		March 2008 (FY2007)		YOY Change
		% Sales		% Sales	
Net sales	242,071	100.0%	249,655	100.0%	7,584
Cost of sales	82,224	34.0%	85,295	34.2%	3,071
Gross profit on sales	159,847	66.0%	164,360	65.8%	4,513
Reversal of provision for sales returns	893		889		-3
Provision for sales returns	889		761		-127
Gross profit	159,850	66.0%	164,488	65.9%	4,637
Selling, general and administrative expenses	137,493	56.8%	127,535	51.1%	-9,957
Depreciation and amortization	6,035		4,488		-1,547
Research and development expenses	28,519		24,745		-3,774
Advertising expenses	14,594		14,303		-291
Sales promotion expenses	27,707		24,793		-2,913
Others	60,636		59,205		-1,431
Operating income	22,357	9.2%	36,952	14.8%	14,594
Non-operating income	5,617	2.3%	6,222	2.5%	604
Interest income	4,254		4,622		368
Dividend income	761		1,048		287
Rent income on real estate	105		102		-3
Others	496		448		-48
Non-operating expenses	3,049	1.2%	1,277	0.5%	-1,771
Interest expenses	8		13		5
Investment loss in affiliates using the equity accounting method	2,414		487		-1,926
Others	626		776		149
Ordinary income	24,926	10.3%	41,896	16.8%	16,970
Extraordinary gains	4,223	1.8%	236	0.1%	-3,986
Profit on sales of fixed assets	4,156		178		-3,978
Gain on reversal of allowance for doubtful accounts	66		58		-7
Others	0		-		-0
Extraordinary losses	152	0.1%	1,143	0.5%	990
Evaluation loss on investment securities	3		19		15
Loss on disposal of fixed assets	148		453		304
Loss on sales of investment securities	-		24		24
Asset impairment loss	-		646		646
Others	0		-		-0
Income before income taxes and minority interests	28,996	12.0%	40,990	16.4%	11,994
Corporate and inhabitants' taxes	11,857	4.9%	14,753	5.9%	2,895
Corporate tax adjustment	1,938	0.8%	1,028	0.4%	-910
Minority interest gain (loss) of consolidated subsidiaries	-221	-0.1%	204	0.1%	425
Net income	15,420	6.4%	25,004	10.0%	9,583

<Fiscal year 2007 highlights> (Figures in parentheses are changes over the previous year)

○Cost of sales ratio: 34.0%→34.2%

Depreciation costs rose because Omiya's No.2 pharmaceutical manufacturing building was completed.

○Selling, general and administrative expenses

Sales promotion expenses were ¥24.7 billion (down ¥2.9 billion):

Sales promotion costs for self-medication business were reexamined.

Taisho Toyama Pharmaceutical sales promotion costs rose last year but stabilized this year.

Depreciation and amortization were ¥4.4 billion (down ¥1.5 billion):

Trademark depreciation costs fell.

R&D expenses of ¥24.7 billion (down ¥3.7 billion)

More efficient management mainly through out-licensing; decrease in in-licensing expenses.

Consolidated Sales Breakdown by Category

(Yen million)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	(Est.) March 09 (FY08)	
					1H	Full Year
					Self-Medication operations : (YOY%)	183,416 (-2.5%)
OTC products, etc.	172,404	163,866	137,728	140,072	74,200	147,800
Foods for Specified Health Use, etc.	7,840	8,140	8,658	9,826	4,900	10,000
Others	3,172	2,825	3,100	2,780	1,500	3,300
Prescription Pharmaceutical operations : (YOY%)	96,020 (-2.4%)	96,576 (0.6%)	92,585 (-4.1%)	96,977 (4.7%)	43,400 (-4.4%)	90,900 (-6.3%)
Ethical drugs	81,688	81,779	79,700	81,969	38,000	80,000
Others	9,391	11,686	11,473	10,739	4,200	9,500
Royalty income	4,941	3,111	1,412	4,269	1,200	1,400
Total	279,437	271,407	242,071	249,655	124,000	252,000

Consolidated Operating Income by Category

(Yen million)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	(Est.) March 09 (FY08)	
					1H	Full Year
					Self-Medication operations (YOY%)	39,014 (-10.1%)
Prescription Pharmaceutical operations (YOY%)	15,683 (9.6%)	12,793 (-18.4%)	4,973 (-61.1%)	10,781 (116.8%)	400 (-92.1%)	4,700 (-56.4%)
Total	54,698	46,395	22,357	36,952	15,000	33,000

Consolidated Sales - Leading Brands of Self-Medication Operations

(Yen Billion)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	YOY Change	(Est.) March 09 (FY08)	
						1H	Full Year
Lipovitan series	95.1	91.4	73.3	76.6	4.4%	42.7	77.0
Lipovitan D	70.8	68.2	52.8	55.2	4.5%	31.1	55.0
Others	24.3	23.2	20.6	21.4	4.2%	11.6	22.0
(100mL other Lipovitans)	12.1	11.9	11.3	13.0	14.4%	7.4	13.6
(50mL other Lipovitans)	12.2	11.3	9.2	8.5	-8.3%	4.2	8.4
Pabron series	27.3	26.1	23.1	23.2	0.4%	8.7	23.5
RiUP series	13.5	12.0	8.8	10.0	13.5%	5.4	10.5
Gastrointestinal treatment series	4.9	4.9	4.6	4.2	-8.3%	2.0	4.4
ZENA series	5.0	4.9	4.0	4.1	2.1%	1.8	4.1
Naron Series	4.9	4.6	4.5	4.3	-3.9%	2.3	4.4
Colac Series	3.9	3.6	3.8	3.6	-3.8%	1.8	3.7
VICKS series	3.0	2.8	3.0	3.0	-0.1%	0.9	3.1
Livita series	2.1	2.4	2.3	2.3	2.7%	1.3	2.7
Overseas drinks	4.3	4.3	5.0	6.1	22.7%	2.9	5.8

(Rounded to the nearest hundred-million)

Energy Drinks: Domestic Sales Breakdown by Channel (parent basis) (Yen Billion)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	YOY Change
Drug-oriented channels	54.6	50.1	41.4	41.1	-0.8%
Food-oriented channels	47.6	47.5	37.2	40.7	9.3%
Total	102.1	97.7	78.6	81.7	4.0%

(Rounded to the nearest hundred-million)

Lipovitan D: Sales Breakdown by Channel (parent basis) (Yen Billion)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	YOY Change
Drug-oriented channels	33.2	30.8	25.1	25.3	1.0%
Food-oriented channels	37.6	37.4	27.7	29.9	7.7%
Total	70.8	68.2	52.8	55.2	4.5%

(Rounded to the nearest hundred-million)

Consolidated Sales - Leading Products of Prescription Pharmaceutical Operations

(Yen Billion)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	YOY Change	(Est.) March 09 (FY08)	
						1H	Full Year
						Clarith	27.4
Palux	12.0	12.0	11.2	11.4	1.8%	5.5	10.8
PENTCILLIN	6.5	6.6	6.1	6.2	0.9%	3.0	5.9
Lorcam	4.5	4.5	4.3	4.3	0.2%	2.2	4.1
TOMIRON	4.8	4.2	3.5	3.0	-12.9%	1.4	3.0
OZEX	3.3	3.3	3.2	3.4	5.5%	1.4	3.0
Metligine	2.2	2.1	2.0	2.0	-2.2%	1.0	1.9
Geninax	-	-	-	3.3	-	0.8	3.5
LUPRAC	1.8	1.9	2.0	2.0	1.7%	1.0	2.0

Sales and Earnings of Taisho Toyama Pharmaceutical (consolidated subsidiary) (Yen Billion)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	(Est.) March 09 (FY08)	
					1H	Full Year
					Taisho Toyama Pharmaceutical Sales	82.3
Taisho products	60.6	61.7	60.5	62.9	27.4	58.7
Toyama Chemical products	21.7	20.9	19.6	19.2	9.1	18.3
Ordinary income	1.8	0.9	0.1	1.8	-0.4	0.2
Net income	0.6	-0.3	-0.7	0.5	-0.5	-0.4

(Rounded to the nearest hundred-million)

Consolidated: Capital Expenditure (Breakdown by Area)

(Yen million)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	(Est.) March 09 (FY08)	
					1H	Full Year
					Total capital expenditure	7,074
Omiya Factory	792	6,605	5,060	1,185	700	2,600
Hanyu Factory	144	195	114	70	100	200
Okayama Factory	46	1,860	93	85	0	200
Research Center	1,958	1,120	793	899	200	900
Others	4,134	3,617	2,006	3,524	1,400	5,000

Consolidated: R&D Expenses

(Yen million)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	(Est.) March 09 (FY08)	
					1H	Full Year
					Total R&D expenses	23,221
Self-Medication operations	6,674	6,709	7,777	6,051	3,600	5,900
Prescription Pharmaceutical operations	16,547	16,362	20,741	18,693	10,700	18,900

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
Biofermin Pharmaceutical Co., Ltd.	Hyogo, Japan	,000 Yen 1,227,000	SMG PD	57
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 300,000	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	98.9
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 Euro 306	SMG	100
Taisho Co.,Ltd. Shanghai	China	,000 CNY 132,621	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 Pharmaceutical (Europe) Ltd.	United Kingdom	,000 £ 20,000	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	24.4
Yomeishu Seizo Co., Ltd.	Tokyo, Japan	,000 Yen 1,650,000	SMG	21
Taisho Hizon Manufacturing Inc.	Philippines	,000 Peso 17,000	SMG	50 (50)

SMG=Self-Medication operations PD=Prescription Pharmaceutical operations

*Figures in parentheses under ownership represent indirect ownership.

*Biofermin Pharmaceutical Co., Ltd. became a consolidated subsidiary of the Taisho Pharmaceutical Group following the purchase of shares in the company in March 2008.

*Taisho Business Research Institute Co., Ltd. is omitted above due to its merger with Taisho Pharmaceutical Co., Ltd. in January 2008.

Non-consolidated Financial Data

(Yen million)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	(Est.)	
					March 09 (FY08)	
					1H	Full Year
Net Sales	232,858	223,034	194,356	201,665	98,000	198,000
(YOY%)	(-3.2%)	(-4.2%)	(-12.9%)	(3.8%)	(1.0%)	(-1.8%)
Self-Medication operations :	177,082	168,762	142,083	144,801	74,400	148,000
Prescription Pharmaceutical operations :	55,776	54,272	52,273	56,864	23,600	50,000
Gross profit	164,669	152,692	128,696	132,993	65,000	129,500
Selling, general and administrative expenses	111,984	107,927	107,188	98,785	50,500	98,400
Research and development expenses	23,246	23,093	28,539	24,765	14,200	24,500
(YOY%)	(10.0%)	(10.4%)	(14.7%)	(12.3%)	(14.5%)	(12.4%)
Advertising expenses	17,012	15,992	14,422	14,008	6,900	14,700
Sales promotion expenses	15,583	15,588	14,287	12,719	6,500	13,000
Personnel expenses	20,214	17,515	17,237	17,402	9,200	18,400
Operating income	52,685	44,764	21,507	34,207	14,500	31,000
(YOY%)	(-8.0%)	(-15.0%)	(-52.0%)	(59.1%)	(-17.7%)	(-9.4%)
Ordinary income	56,599	49,018	27,527	40,122	17,500	37,000
(YOY%)	(-9.5%)	(-13.4%)	(-43.8%)	(45.8%)	(-14.6%)	(-7.8%)
Net income	35,779	36,057	16,749	25,910	11,500	24,000
(YOY%)	(-17.5%)	(0.8%)	(-53.5%)	(54.7%)	(-12.9%)	(-7.4%)
EPS (yen)	115.09	116.74	54.86	86.99	38.65	80.66
Capital expenditure	6,905	12,773	7,764	5,553	2,200	6,800
Depreciation and amortization	13,139	12,475	11,786	11,399	4,900	10,000
Total assets	601,807	649,138	614,943	604,665	611,000	620,000
Shareholders' equity	524,085	572,015	551,107	547,234	554,000	563,000
Return on equity(%) (* 1)	6.9%	6.6%	3.0%	4.7%	-	4.3%
Return on assets(%) (* 1)	6.0%	5.8%	2.6%	4.2%	-	3.9%
Equity ratio(%)	87.1%	88.1%	89.6%	90.5%	90.7%	90.8%
Number of employees	3,312	3,315	3,329	3,478	-	-

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

Non-consolidated Sales Breakdown by Category

(Yen million)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	(Est.) March 09 (FY08)	
					1H	Full Year
					Self-Medication operations: (YOY%)	177,082 (-3.2%)
OTC products, etc.	172,258	163,697	137,187	139,701	71,600	142,200
Foods for Specified Health Use, etc.	3,456	3,801	3,669	3,708	2,000	4,100
Others	1,368	1,264	1,227	1,392	800	1,700
Prescription Pharmaceutical operations: (YOY%)	55,776 (-3.1%)	54,272 (-2.7%)	52,273 (-3.7%)	56,864 (8.8%)	23,600 (-8.3%)	50,000 (-12.1%)
Ethical drugs	41,942	40,299	39,673	41,917	18,200	39,200
Others	8,893	10,862	11,188	10,678	4,200	9,400
Royalty income	4,941	3,111	1,412	4,269	1,200	1,400
Total	232,858	223,034	194,356	201,665	98,000	198,000

Non-consolidated Sales Breakdown by Therapeutic Category

(Yen million)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)
Nervous system and sensory organ drugs	38,714	36,748	33,026	33,384
Cardiovascular and digestive system drugs	28,116	27,608	27,485	27,622
Nutrient drugs	104,828	100,087	81,069	83,436
Dermatological preparations	23,416	21,678	17,757	18,294
Antibiotics and others	29,331	29,944	29,876	30,885
Foods for Specified Health Use, etc.	3,459	3,804	3,672	3,710
Royalty income	4,994	3,165	1,472	4,334
Total	232,858	223,034	194,356	201,665

Capital Expenditure (Breakdown by Area)

(Yen million)

	March 05 (FY04)	March 06 (FY05)	March 07 (FY06)	March 08 (FY07)	(Est.) March 09 (FY08)	
					1H	Full Year
					Total capital expenditure	6,905
Omiya Factory	792	6,605	5,060	1,185	700	2,600
Hanyu Factory	144	195	114	70	100	200
Okayama Factory	46	1,860	93	85	0	200
Research Center	1,958	1,120	793	899	200	900
Others	3,965	2,993	1,704	3,312	1,200	2,900

Shareholders Information (as of end of March 2008)

Major Shareholders

(Thousands of Shares)

	Number of shares	% of total**
Uehara Memorial Foundation	43,000	14.45%
Shoji Uehara	36,614	12.30%
Sumitomo Chemical	12,133	4.08%
Sumitomo Mitsui Banking Corp.	10,000	3.36%
The Bank of Tokyo-Mitsubishi UFJ	10,000	3.36%
Uehara Museum of Modern Art Foundation	10,000	3.36%
Northern Trust (AVFC) Americann Client	8,652	2.91%
Akira Uehara	7,145	2.40%
Kajima Corporation	5,500	1.85%
Japan Trustee Services Bank, Ltd. (Trust account)	4,697	1.58%

Number of shares are rounded down to the nearest 1,000.

*Excluding treasury stocks (22,905 thousand shares)

**Calculated excluding treasury stocks (22,905 thousand shares)

(Rounded the numbers to two places of decimals)

Distribution of Shareholders

Financial Institutions	14.75%
Financial Instruments Firm	0.33%
Other companies	34.43%
Foreign Companies	15.12%
Individuals and Others	28.22%
Treasury stocks	7.15%

(Rounded the numbers to two places of decimals)

Prescription Pharmaceutical operations: New Drug Development

As of May 13, 2008

(1) Development in Japan

Launched

1) Geninax Tablets 200mg (T-3811)

- < Application > New-type quinolone antibacterial agent
- < Development > Co-development with Toyama Chemical
- < Remarks > Approved on July 31, 2007, launched on October 5, 2007

Submitted

1) Clarith Tablets 200

- < Application > Macrolide antibiotic: Nontuberculous Mycobacteriosis (lung infection)
- < Development > Co-development with Abbott Japan
- < Remarks > Additional indication

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

- < 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

2) TT-063

- < Application > Osteoarthritis, scapulohumeral periarthritis, myalgia and other conditions
- < Development > Co-development with Tokuhoon
- < 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

Prescription Pharmaceutical operations: New Drug Development

As of May 13, 2008

(1) Development in Japan (Continued)

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

(2) Development in Overseas Countries

Phase 2

1) TS-033

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

Prescription Pharmaceutical operations: New Drug Development

As of May 13, 2008

(3) Compounds announced since April 1, 2007

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 > Overseas: Phase 2
Exclusive development and marketing rights granted worldwide, except in Japan, South Korea, China and Taiwan, to Milford Sound Sciences, Inc. of the USA (currently Indigo Pharmaceuticals, Inc.) (Announced on May 7, 2007)

2) Drug compound candidates for CNS indications (Development code: undecided)

- < Development > In-house
- < Remarks > In Japan: Pre-clinical stage
Exclusive development and commercialization rights granted worldwide, except for Japan and China, to Brain Cells, Inc. of the USA.
(Announced on September 27, 2007)

3) TS-032

- < Application > Schizophrenia
- < Development > In-house
- < Description > mGluR (metabotropic glutamate receptors) agonist
- < Remarks > In Japan: Pre-clinical stage
Exclusive development and commercialization rights granted worldwide, excluding Japan to Pfizer Inc. of the USA
(Announced on January 7, 2008)

Self-Medication operations: Launch of New Products

As of May 14, 2008

1) Karada Kankyo Diet Series

< Description > An exclusively mail-order series of diet-support products, centered on
Karada Kankyo Diet Balanced Foods

< Launch > April 2007

2) IRIS 50, IRIS 50 Cool

< Description > Eye drops developed as a formulation to treat troublesome eye symptoms
experienced by people in their 50s or older

< Launch > May 2007

3) Palsweet Calorie Zero Liquid type

< Description > A liquid sweetener for people who need to limit their calorie intake,
such as those suffering from diabetes or obesity

< Launch > May 2007

4) Lipovitan 8 NEW

< Description > A quasi-drug energy drink containing 10 active constituents, including royal jelly

< Launch > July 2007

5) Livita Natural Water

< Description > A natural water of low hardness designed to be drunk when taking a health
supplement or medicine

< Launch > July 2007

6) Nourish <biboukassai> Night Cream

< Description > An exclusively mail-order night cream containing the naturally derived
ingredient flavangenol

< Launch > September 2007

7) Menfula Hot α <IM>

< Description > A warm-type poultice containing 0.5% of indomethacin, the same strength
as for medical use

< Launch > September 2007

8) Menfula Ice α <IM>

< Description > A cold-type poultice that uses a high water content ointment providing a superior
cooling action based on Taisho's own technologies

< Launch > September 2007

Self-Medication operations: Launch of New Products

As of May 14, 2008

9) Preser Ace Suppository

< Description > A product that uses a suppository that can be conveniently stored using Taisho's proprietary pharmaceutical technologies

< Launch > September 2007

10) Herpecia Ointment

< Description > A switch-OTC drug; the first OTC drug to be approved for the indication of recurrent labial herpes

< Launch > October 2007

11) Pabron Hand Jell 365 <Lemon>

< Description > A gel-type quick-drying hand disinfectant with a lemon fragrance

< Launch > October 2007

12) Livita Junsui Gembaku Kurozu

< Description > A health-use black vinegar, which is made of malt from husked barley, containing abundant amino acids and minerals

< Launch > October 2007

13) IRIS Arrest

< Description > Eye drops containing the anti-allergic agent ketotifen fumarate

< Launch > November 2007

14) Karada Kankyo Diet Balanced Foods Irodori Yasai no Soup

< Description > A soup-type diet food with added health ingredients for adults who are conscious of their health

< Launch > November 2007

15) New Pabron Cough Syrup

< Description > A cough medicine containing the nonnarcotic ingredient dimemorfan phosphate

< Launch > November 2007

16) DENTWELL [medicated] CR

< Description > A medicated dentifrice for cleaning inside the mouth containing a disinfectant and four other active ingredients

< Launch > November 2007

Self-Medication operations: Launch of New Products

As of May 14, 2008

17) Livita Q10 Brightening Essence

< Description > A beauty serum with superior penetrability using the *Lipo-dia* technology developed through joint research with a university
< Launch > November 2007

18) RiUP PLUS

< Description > A minoxidil-based hair regrowth treatment, now enhanced by three new types of ingredients for invigorating the scalp
< Launch > January 2008

19) Pabron Ace AX (powders and tablets)

< Description > A switch-OTC cold remedy containing the medical-use ingredient ambroxol hydrochloride
< Launch > January 2008

20) Taisho Glucosamine

< Description > An exclusively mail-order health supplement containing 1,500 mg of glucosamine in every 6 tablets
< Launch > February 2008

21) Dermarin Grande

< Description > An athlete's foot treatment formulated with the anti-fungal ingredient terbinafine hydrochloride, anti-itch ingredients and other substances
< Launch > February 2008

22) hisoca (ginger, cranberry)

< Description > A concentrated herbal beverage jointly developed with Isetan Company Limited
< Launch > March 2008

23) Nourish <biboukassai> skin whitening essence

< Description > An exclusively mail-order skin whitening essence formulated with flavangenol and the skin whitening agent arbutin
< Launch > March 2008

24) Caffeine 180

< Description > A caffeinated drink with a caffeine content equivalent to that of approximately three cups of coffee
< Launch > April 2008
