

# Reference Data

## 1st Half - Fiscal Year 2007

(April 1, 2007 to September 30, 2007)

### 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	P 10
• Non-consolidated Sales Breakdown by Therapeutic Category	P 10
• Capital Expenditure	P 10
• Shareholders Information	P 11

### New Drug Development / New Products

• Prescription Pharmaceutical operations: New Drug Development	P12
• Self-Medication operations: Launch of New Products	P15

## Consolidated Financial Data

(Yen Million)

	March 07 (FY2006)				March 08 (FY2007)			
	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	Full year E (revised)	Full year E (July)
Net Sales	54,584	121,971	184,909	242,071	56,897	120,712	243,500	240,500
(YOY%)	(-5.0%)	(-9.2%)	(-9.4%)	(-10.8%)	(4.2%)	(-1.0%)	(0.6%)	(-0.6%)
Self-Medication operations	33,155	77,744	115,415	149,486	34,663	75,324	149,800	149,400
Prescription Pharmaceutical operations	21,429	44,227	69,494	92,585	22,233	45,387	93,700	91,100
Gross profit	37,565	81,660	123,077	159,850	38,413	80,087	160,400	157,500
Selling, general and administrative expenses	31,784	66,942	100,996	137,493	30,238	60,962	130,900	134,500
Research and development expenses	6,004	12,361	18,390	28,519	5,327	10,901	24,400	26,200
(% Sales)	(11.0%)	(10.1%)	(9.9%)	(11.8%)	(9.4%)	(9.0%)	(10.0%)	(10.9%)
Advertising expenses	3,781	7,662	11,785	14,594	3,492	6,152	14,300	14,500
Sales promotion expenses	5,245	13,177	20,353	27,707	5,560	11,993	27,500	28,600
Persornnel expenses	8,308	16,422	24,807	32,610	8,015	16,160	32,500	32,600
Operating income	5,781	14,717	22,081	22,357	8,174	19,124	29,500	23,000
(YOY%)	(-19.3%)	(-42.5%)	(-38.8%)	(-51.8%)	(41.4%)	(29.9%)	(31.9%)	(2.9%)
Ordinary income	6,818	16,423	24,717	24,926	9,773	22,451	35,500	28,500
(YOY%)	(-16.4%)	(-37.6%)	(-34.2%)	(-49.9%)	(43.3%)	(36.7%)	(42.4%)	(14.3%)
Net income	4,052	12,329	17,182	15,420	6,016	14,105	22,000	17,500
(YOY%)	(-4.6%)	(-20.8%)	(-23.1%)	(-57.0%)	(48.4%)	(14.4%)	(42.7%)	(13.5%)
EPS (yen)	13.15	40.01	55.97	50.54	20.20	47.38	73.90	58.77
Capital expenditure	2,254	4,733	7,145	8,066	986	2,555	8,500	9,000
Depreciation and amortization	3,023	6,050	9,081	12,134	3,058	5,868	11,850	12,500
Total assets	641,290	654,138	642,651	631,929	624,497	622,008	642,000	641,000
Shareholders' equity	558,635	566,825	560,669	547,486	544,386	546,338	558,000	557,000
Return on equity(%) (* 1)	-	-	-	2.8%	-	-	4.0%	3.2%
Return on assets(%) (* 1)	-	-	-	2.4%	-	-	3.5%	2.7%
Equity ratio(%)	86.8%	86.3%	86.9%	86.3%	86.9%	87.5%	86.6%	86.9%
Overseas sales ratio	3.2%	3.0%	2.9%	3.0%	3.8%	3.8%	-	-
Number of employees	-	5,275	-	5,191	-	5,235	-	-

E=Estimates

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

## Consolidated Balance Sheets

(Yen million)

	End of Sept. 2006		End of Sept. 2007		change	End of FY2006	
		% total		% total		(March 31, 07)	% total
(Assets)							
I Current assets:							
Cash and deposits	135,517		130,414		-5,103	131,263	
Notes and accounts receivable-trade	82,020		73,102		-8,918	72,242	
Marketable securities	3,135		8,462		5,327	2,077	
Inventories	25,284		26,402		1,117	22,915	
Deferred tax assets	8,229		7,481		-748	7,495	
Others	9,046		4,088		-4,957	4,867	
Sub-total	263,234		249,951		-13,282	240,862	
Allowance for doubtful accounts	-459		-241		217	-445	
Total current assets	262,774	40.2%	249,709	40.1%	-13,064	240,416	38.0%
II Fixed assets:							
(1) Tangible fixed assets:							
Buildings and structures	49,026		50,500		1,473	47,641	
Machinery and equipment	9,962		11,922		1,960	9,213	
Land	26,648		27,413		765	27,389	
Construction in progress	8,404		1,060		-7,343	9,019	
Others	4,763		4,160		-603	4,530	
Total tangible fixed assets	98,805	(15.1%)	95,057	(15.3%)	-3,747	97,796	(15.5%)
(2) Intangible fixed assets:							
Goodwill	127		94		-33	133	
Trademarks	5,376		3,565		-1,810	4,206	
Software	3,358		3,354		-3	2,965	
Others	194		206		12	205	
Total intangible fixed assets	9,056	(1.4%)	7,221	(1.2%)	-1,834	7,511	(1.2%)
(3) Investments and other assets:							
Investments in securities	254,979		243,471		-11,507	260,046	
Affiliates' stock	22,160		20,253		-1,906	20,069	
Long-term prepaid expenses	2,176		1,818		-358	1,697	
Deferred tax assets	796		887		90	924	
Others	3,622		3,925		302	3,690	
Sub-total	283,736		270,357		-13,378	286,429	
Allowance for doubtful receivables-long term	-234		-337		-103	-224	
Total investments and other assets	283,502	(43.3%)	270,019	(43.4%)	-13,482	286,204	(45.3%)
Total fixed assets	391,363	59.8%	372,298	59.9%	-19,065	391,512	62.0%
Total assets	654,138	100.0%	622,008	100.0%	-32,130	631,929	100.0%

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

- Marketable securities up ¥5.3 billion  
(Increase of ¥8.5 billion due to transfer from investments in securities; decrease of ¥3.0 billion due to bond redemptions)
- Construction in progress down ¥7.3 billion  
(Decrease of ¥8.2 billion at pharmaceutical manufacturing building no. 2 at the Omiya Factory; increase of ¥0.8 billion due to Fukuoka Branch construction)
- Trademarks down ¥1.8 billion (Due to amortization)
- Investments in securities down ¥11.5 billion  
(Decrease of ¥8.5 billion due to transfer to marketable securities; increase of ¥18.3 billion due to purchase of bonds; decrease of ¥7.0 billion due to bond redemptions; decrease of ¥15.4 billion due to loss from valuation)

## Consolidated Balance Sheets

(Yen million)

	End of Sept. 2006		End of Sept. 2007		change	End of FY2006	
		% total		% total		(March 31, 07)	% total
(Liabilities)							
I Current liabilities:							
Notes and accounts payable-trade	22,406		22,751		344	20,380	
Short-term loans	330		260		-70	225	
Accounts payable	11,900		9,623		-2,277	13,698	
Accrued corporate tax	8,508		7,960		-547	6,151	
Accrued expenses	6,770		6,481		-288	7,463	
Adjustment allowance for returns	1,003		968		-35	889	
Allowance for bonuses	3,992		4,037		45	3,963	
Allowance for bonuses to directors	36		—		-36	73	
Others	1,182		1,162		-19	1,063	
Total current liabilities	56,132	8.5%	53,247	8.6%	-2,884	53,909	8.5%
II Long-term liabilities:							
Reserves for retirement benefits	17,551		15,022		-2,528	16,428	
Reserves for directors' retirement payments	1,599		1,651		52	1,646	
Deferred taxes liabilities	5,902		1,078		-4,823	6,436	
Others	6,128		4,669		-1,458	6,021	
Total long-term liabilities	31,180	4.8%	22,422	3.6%	-8,758	30,533	4.9%
Total liabilities	87,312	13.3%	75,669	12.2%	-11,643	84,443	13.4%
(Net assets)							
I Shareholders' equity							
Common Stock	29,804	4.6%	29,804	4.8%	—	29,804	4.7%
Additional paid-in capital	14,935	2.3%	14,935	2.4%	—	14,935	2.4%
Retained earnings	518,075	79.2%	527,226	84.8%	9,151	521,167	82.5%
Treasury stock	-23,393	-3.6%	-45,717	-7.4%	-22,323	-45,497	-7.2%
Total shareholders' equity	539,421	82.5%	526,249	84.6%	-13,172	520,409	82.4%
II Valuation, translation, adjustments and others							
Unrealized gain on securities	28,615	4.4%	19,113	3.1%	-9,501	27,207	4.3%
Deferred gain and loss from hedging	-24	-0.0%	-11	-0.0%	13	-16	-0.0%
Foreign currency adjustment accounts	-3,172	-0.5%	-1,002	-0.2%	2,170	-1,978	-0.3%
Total valuation, translation, adjustments and others	25,418	3.9%	18,100	2.9%	-7,318	25,212	4.0%
III Minority interest	1,985	0.3%	1,989	0.3%	3	1,864	0.2%
Total net assets	566,825	86.7%	546,338	87.8%	-20,487	547,486	86.6%
Total liabilities and net assets	654,138	100.0%	622,008	100.0%	-32,130	631,929	100.0%

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

- Accounts payable down ¥2.2 billion  
(Payment of construction fees for pharmaceutical manufacturing building no. 2 at the Omiya Factory of ¥1.8 billion)
- Reserves for retirement benefits down ¥2.5 billion  
(Increase of ¥1.8 billion due to retirement benefit costs; decrease of ¥4.1 billion due to contributions to defined benefit corporate pension plan)
- Unrealized gain on securities down ¥9.5 billion (decrease of unrealized gain of investments in securities)
- Treasury stock down ¥22.3 billion (share buyback)

## Consolidated P/L Statement

(Yen Million)

	FY2006 1H (April-Sept.)		FY2007 1H (April-Sept.)		YOY change
		% Sales		% Sales	
Net sales	121,971	100.0%	120,712	100.0%	-1,258
Cost of sales	40,200	33.0%	40,546	33.6%	345
Gross profit on sales	81,770	67.0%	80,166	66.4%	-1,604
Reversal of provision for sales returns	893	0.8%	889	0.7%	-3
Provision for sales returns	1,003	0.8%	968	0.8%	-35
Gross profit	81,660	67.0%	80,087	66.3%	-1,572
Selling, general and administrative expenses	66,942	54.9%	60,962	50.5%	-5,979
Depreciation and amortization	3,080		2,342		-737
Research and development expenses	12,361		10,901		-1,459
Advertising expenses	7,662		6,152		-1,510
Sales promotion expenses	13,177		11,993		-1,183
Others	30,661		29,572		-1,088
Operating income	14,717	12.1%	19,124	15.8%	4,406
Non-operating income	2,787	2.3%	3,609	3.0%	822
Interest income	2,025		2,284		258
Dividend income	430		585		155
Rent income on real estate	52		52		-0
Investment gain in affiliates using the equity accounting method	—		455		455
Others	279		231		-47
Non-operating expenses	1,081	0.9%	283	0.2%	-798
Interest expenses	2		6		3
Investment loss in affiliates using the equity accounting method	804		—		-804
Foreign exchange loss	—		46		46
Others	274		230		-44
Ordinary income	16,423	13.5%	22,451	18.6%	6,027
Extraordinary gains	4,243	3.4%	84	0.1%	-4,159
Profit on sales of fixed assets	4,155		4		-4,151
Gain on reversal of allowance for doubtful accounts	87		79		-8
Extraordinary losses	52	0.0%	104	0.1%	52
Evaluation loss on investment securities	3		—		-3
Loss on disposal of fixed assets	49		104		55
Income before income taxes and minority interests	20,614	16.9%	22,430	18.6%	1,816
Corporate and inhabitants' taxes	8,584	7.0%	8,133	6.7%	-450
Corporate tax adjustment	-111	-0.1%	88	0.1%	200
Minority interest gain (loss) of consolidated subsidiaries	-187	-0.1%	102	0.1%	290
Net income	12,329	10.1%	14,105	11.7%	1,775

<Fiscal year 2007/1H highlights> (Figures in parentheses are changes from the first half of fiscal year 2006)

- Cost of sales ratio increased from 33.0% to 33.6%

Mainly due to increase of depreciation for the pharmaceutical manufacturing building no. 2 at the Omiya Factory

- Selling, general & administrative expenses

Advertising expenses were ¥6.1 billion (down ¥1.5 billion) : due to part of the advertising budget being unused and a majority of the advertising expenses being shifted to the second half of the fiscal year

Research and development expenses were ¥10.9 billion (down ¥1.4 billion) : due to licensing-out and a partial change of plan

Sales promotion expenses were ¥11.9 billion (down ¥1.1 billion) : due to the absence of the *Clarith*-related sales promotion expenses that were incurred in the same period of the previous fiscal year

## Consolidated Sales Breakdown by Category

(Yen Million)

	March 07 (FY2006)				March 08 (FY2007)			
	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	Full year E (revised)	Full year E (July)
Self-Medication operations : (YOY%)	33,155 (-4.5%)	77,744 (-10.6%)	115,415 (-11.8%)	149,486 (-14.5%)	34,663 (4.5%)	75,324 (-3.1%)	149,800 (0.2%)	149,400 (-0.1%)
OTC products, etc.	30,432	72,084	106,716	137,728	31,743	69,128	136,600	136,700
Foods for Specified Health Use, etc.	2,051	4,107	6,426	8,658	2,366	4,878	10,000	9,300
Others	672	1,553	2,273	3,100	554	1,318	3,200	3,400
Prescription Pharmaceutical operations : (YOY%)	21,429 (-5.8%)	44,227 (-6.7%)	69,494 (-5.0%)	92,585 (-4.1%)	22,233 (3.8%)	45,387 (2.6%)	93,700 (1.2%)	91,100 (-1.6%)
Ethical drugs	18,684	38,693	60,206	79,700	19,410	39,936	82,000	79,000
Others	2,404	4,739	8,313	11,473	2,413	4,562	10,300	11,100
Royalty income	341	795	975	1,412	410	889	1,400	1,000
Total	54,584	121,971	184,909	242,071	56,897	120,712	243,500	240,500

E=Estimates

## Consolidated Operating Income by Category

(Yen Million)

	March 07 (FY2006)				March 08 (FY2007)			
	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	Full year E (revised)	Full year E (July)
Self-Medication operations (YOY%)	3,430 (-18.4%)	10,737 (-43.7%)	15,058 (-41.8%)	17,384 (-48.3%)	5,197 (51.5%)	14,036 (30.7%)	21,100 (21.4%)	16,600 (-4.5%)
Prescription Pharmaceutical operations (YOY%)	2,350 (-20.6%)	3,980 (-38.9%)	7,022 (-31.3%)	4,973 (-61.1%)	2,976 (26.6%)	5,088 (27.8%)	8,400 (68.9%)	6,400 (28.7%)
Total	5,781	14,717	22,081	22,357	8,174	19,124	29,500	23,000

E=Estimates

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

(Yen Billion)

	March 07 (FY2006)				March 08 (FY2007)			
	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	Full year E (revised)	Full year E (July)
Taisho Toyama Pharmaceutical Sales	18.8	39.0	60.6	80.1	19.4	40.0	82.0	79.0
Taisho products	14.4	29.3	45.8	60.5	14.8	30.4	63.0	60.0
Toyama Chemical products	4.4	9.7	14.8	19.6	4.6	9.5	19.0	19.0
Ordinary income	-0.1	-0.3	0.0	0.1	0.4	0.9	1.0	1.1
Net income	-0.2	-0.6	-0.6	-0.7	0.1	0.3	0.0	0.0

(Rounded to the nearest hundred-million)

E=Estimates

## Consolidated Sales of Leading Products

(Yen Billion)

	March 07 (FY2006)				March 08 (FY2007)				
	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	YOY change	Full year E (revised)	Full year E (July)
OTC products, etc.	30.4	72.1	106.6	137.7	31.7	69.1	-4.1%	136.6	136.7
Lipovitan series	18.2	43.3	59.6	73.3	19.9	42.2	-2.5%	73.2	72.9
Lipovitan D	13.6	32.5	43.9	52.8	15.0	31.2	-4.1%	52.3	51.3
Others	4.5	10.8	15.7	20.6	4.9	11.1	2.1%	20.9	21.6
ZENA series	0.8	1.8	3.0	4.0	0.9	1.8	-2.3%	4.1	4.3
Pabron series	3.4	9.2	16.5	22.8	3.1	7.8	-15.1%	22.5	22.6
RIUP series	1.7	4.4	6.4	8.8	2.1	4.8	10.6%	10.1	9.9
Gastrointestinal treatments	1.0	2.0	3.5	4.6	0.8	1.9	-4.9%	4.4	4.5
Foods for Specified Health Use, etc.	2.1	4.1	6.4	8.7	2.4	4.9	18.7%	10.0	9.3
Livita series	0.6	1.1	1.6	2.3	0.6	1.1	8.9%	2.5	2.6
Overseas drinks	1.2	2.4	3.7	5.0	1.5	3.2	31.0%	6.0	5.4
Ethical drugs	18.7	38.7	60.2	79.7	19.4	39.9	3.2%	82.0	79.0
Clarith	6.4	12.1	19.9	27.3	6.1	11.1	-8.9%	26.0	26.7
Palux	2.7	5.8	8.8	11.2	2.9	5.8	0.6%	11.2	10.8
PENTCILLIN	1.3	3.1	4.7	6.1	1.5	3.1	0.5%	6.2	6.1
Lorcam	1.0	2.2	3.3	4.3	1.1	2.3	4.4%	4.5	4.3
TOMIRON	0.8	1.7	2.5	3.5	0.7	1.4	-15.9%	3.1	3.4
OZEX	0.6	1.4	2.3	3.2	0.8	1.6	13.5%	3.3	2.9
Metligine	0.5	1.1	1.6	2.0	0.5	1.0	-1.0%	2.0	1.9
LIMAS	0.6	1.2	1.8	2.2	0.6	1.2	1.7%	2.3	2.2
SOLON	0.4	0.9	1.4	1.7	0.4	0.8	-6.3%	1.6	1.7
LUPRAC	0.5	1.0	1.5	2.0	0.5	1.0	0.6%	2.1	2.0
PASIL	0.3	0.6	0.9	1.2	0.3	0.6	-0.2%	1.3	1.2

(Rounded to the nearest hundred-million)

E=Estimates

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

	March 07 (FY2006)				March 08 (FY2007)		
	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	YOY change
Drug-oriented channels	10.2	22.8	32.9	41.4	10.7	22.1	-3.0%
Food-oriented channels	9.1	23.0	30.7	37.2	10.3	22.5	-2.4%
Total	19.3	45.9	63.6	78.6	21.0	44.6	-2.7%

(Rounded to the nearest hundred-million)

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

	March 07 (FY2006)				March 08 (FY2007)		
	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	YOY change
Drug-oriented channels	6.8	14.6	20.6	25.1	7.4	14.4	-1.2%
Food-oriented channels	6.8	17.9	23.3	27.7	7.6	16.7	-6.4%
Total	13.6	32.5	43.9	52.8	15.0	31.2	-4.1%

(Rounded to the nearest hundred-million)

Note: The figures of *Lipovitan D* through drug-oriented channels/food-oriented channels for March 07 1H were revised.  
(The figure of total sales was not revised.)

## Consolidated: Capital Expenditure (Breakdown by Area)

(Yen million)

	March 07 (FY2006)				March 08 (FY2007)			
	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	Full year E (revised)	Full year E (July)
Total capital expenditure	2,254	4,733	7,145	8,066	986	2,555	8,500	9,000
Omiya Factory	1,884	3,962	4,474	5,060	169	464	2,500	2,600
Hanyu Factory	8	19	21	114	4	23	100	100
Okayama Factory	-	19	23	93	2	13	200	300
Research Center	41	154	567	793	96	252	1,000	1,000
Others	321	579	2,060	2,006	715	1,803	4,700	5,000

E=Estimates

## Consolidated: R&amp;D Expenses

(Yen million)

	March 07 (FY2006)				March 08 (FY2007)			
	1Q (4-6)	1H (4-9)	3Q (4-12)	Full year	1Q (4-6)	1H (4-9)	Full year E (revised)	Full year E (July)
Total R&D expenses	6,004	12,361	18,390	28,519	5,327	10,901	24,400	26,200
Self-Medication operations	2,270	4,397	6,331	7,777	1,311	2,774	6,000	6,200
Prescription Pharmaceutical operations	3,734	7,963	12,058	20,741	4,016	8,126	18,400	20,000

E=Estimates

## 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 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 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	22.2
Yomeishu Seizo Co., Ltd.	Tokyo, Japan	,000 Yen 1,650,000	SMG	20.9
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)

	March 07 (FY2006)		March 08 (FY2007)		
	1H (4-9)	Full year	1H (4-9)	Full year E (revised)	Full year E (May)
Net Sales	98,509	194,356	97,063	195,500	194,000
(YOY%)	(-11.1%)	(-12.9%)	(-1.5%)	(0.6%)	(-0.2%)
Self-Medication operations	74,105	142,083	71,317	141,900	142,100
Prescription Pharmaceutical operations	24,404	52,273	25,746	53,600	51,900
Gross profit	66,186	128,696	64,652	128,900	126,900
Selling, general and administrative expenses	51,812	107,188	47,034	100,900	105,500
Research and development expenses	12,373	28,539	10,912	24,400	26,200
(% Sales)	(12.6%)	(14.7%)	(11.2%)	(12.5%)	(13.5%)
Advertising expenses	7,530	14,422	6,023	14,100	14,200
Sales promotion expenses	6,656	14,287	6,392	14,500	16,300
Personnel expenses	8,633	17,237	8,594	17,000	17,200
Operating income	14,374	21,507	17,618	28,000	21,500
(YOY%)	(-42.6%)	(-52.0%)	(22.6%)	(30.2%)	(-0.0%)
Ordinary income	16,823	27,527	20,482	34,500	27,500
(YOY%)	(-37.7%)	(-43.8%)	(21.7%)	(25.3%)	(-0.1%)
Net income	10,700	16,749	13,195	22,500	18,000
(YOY%)	(-37.3%)	(-53.5%)	(23.3%)	(34.3%)	(7.5%)
EPS (yen)	34.72	54.86	44.29	75.53	60.40
Capital expenditure	4,590	7,764	2,333	8,200	8,700
Depreciation and amortization	5,877	11,786	5,707	11,500	12,100
Total assets	635,375	614,943	605,127	626,000	624,000
Shareholders' equity	568,066	551,107	548,116	562,000	561,000
Return on equity(%) (* 1)	-	3.0%	-	4.0%	3.2%
Return on assets(%) (* 1)	-	2.6%	-	3.6%	2.9%
Equity ratio(%)	89.4%	89.6%	90.6%	89.8%	89.9%
Number of employees	3,370	3,329	3,368	-	-

E = Estimates

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

## Non-consolidated Sales Breakdown by Category

(Yen Million)

	March 07 (FY2006)		March 08 (FY2007)		
	1H (4-9)	Full year	1H (4-9)	Full year E (revised)	Full year E (May)
Self-Medication operations :	74,105	142,083	71,317	141,900	142,100
(YOY%)	(-11.9%)	(-15.8%)	(-3.8%)	(-0.1%)	(0.0%)
OTC products, etc.	71,909	137,187	68,915	136,100	136,100
Foods for Specified Health Use, etc.	1,686	3,669	1,707	4,000	4,000
Others	510	1,227	695	1,800	2,000
Prescription Pharmaceutical operations :	24,404	52,273	25,746	53,600	51,900
(YOY%)	(-8.5%)	(-3.7%)	(5.5%)	(2.5%)	(-0.7%)
Ethical drugs	19,137	39,673	20,326	41,900	39,800
Others	4,472	11,188	4,531	10,300	11,100
Royalty income	795	1,412	889	1,400	1,000
Total	98,509	194,356	97,063	195,500	194,000

E=Estimates

## Non-consolidated Sales Breakdown by Therapeutic Category

(Yen Million)

	March 07 (FY2006)		March 08 (FY2007)
	1H (4-9)	Full year	1H (4-9)
Nervous system and sensory organ drugs	14,404	33,026	13,356
Cardiovascular and digestive system drugs	12,784	27,485	12,930
Nutrient drugs	47,161	81,069	45,532
Dermatological preparations	8,900	17,757	8,998
Antibiotics and others	12,745	29,876	13,610
Foods for Specified Health Use, etc.	1,687	3,672	1,708
Royalty income	828	1,472	928
Total	98,509	194,356	97,063

## Capital Expenditure (Breakdown by Area)

(Yen Million)

	March 07 (FY2006)		March 08 (FY2007)		
	1H (4-9)	Full year	1H (4-9)	Full year E (revised)	Full year E (May)
Total capital expenditure	4,590	7,764	2,333	8,200	8,700
Omiya Factory	3,962	5,060	464	2,500	2,600
Hanyu Factory	19	114	23	100	100
Okayama Factory	19	93	13	200	300
Research Center	154	793	252	1,000	1,000
Others	436	1,704	1,581	4,400	4,700

E=Estimates

## Shareholders Information (as of end of September 2007)

## Major Shareholders

(Thousands of Shares)

Name of Shareholders*	Number of shares	% of total**
Uehara Memorial Foundation	43,000	14.43%
Shoji Uehara	36,614	12.29%
Sumitomo Chemical	12,133	4.07%
Northern Trust (AVFC) Americann Client	11,312	3.80%
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%
Mellon Bank Treaty Cliants Omnibus	8,520	2.86%
Akira Uehara	7,145	2.40%
Kajima Corporation	5,500	1.85%

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

\*Excluding treasury stocks (22,570 thousand shares)

\*\*Calculated excluding treasury stocks(22,570 thousand shares)

(Rounded the numbers to two places of decimals)

## Distribution of Shareholders

Financial Institutions	14.31%
Securities Companies	0.21%
Other companies	34.06%
Foreign Companies	16.01%
Individuals and Others	28.38%
Treasury stocks	7.04%

(Rounded the numbers to two places of decimals)

## Prescription Pharmaceutical operations: New Drug Development

As of November 7, 2007

### (1) Development in Japan

#### Launched

##### 1) Geninax Tablets 200mg (T-3811 : Oral)

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

#### 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 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

##### 4) NT-702

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

## Prescription Pharmaceutical operations: New Drug Development

As of November 7, 2007

### (1) Development in Japan (Continued)

Phase 2

#### 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 November 7, 2007

### (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  
Concluded a letter of intent with Pfizer Inc. of the USA related to a proposed license agreement regarding the rights for the development and commercialization of this substance outside Japan. (Announced on October 30, 2007)

# Self-Medication operations: Launch of New Products

As of November 7, 2007

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## 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

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## 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

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## 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

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## 4) Lipovitan 8 NEW

< Description > A quasi-drug energy drink containing 10 active constituents, including royal jelly  
< Launch > July 2007

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## 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

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## 6) Nourish <biboukassai> Night Cream

< Description > An exclusively mail-order night cream containing the naturally derived  
ingredient flavangenol  
< Launch > September 2007

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## 7) Menfula Hot $\alpha$ <IM>

< Description > A warm-type poultice containing 0.5% of indomethacin, the same strength  
as for medical use  
< Launch > September 2007

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## 8) Menfula Ice $\alpha$ <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

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## Self-Medication operations: Launch of New Products

As of November 7, 2007

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### 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

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### 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

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### 11) Pabron Hand Jell 365 <Lemon>

< Description > A gel-type quick-drying hand disinfectant with a lemon fragrance  
< Launch > October 2007

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### 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

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### 13) IRIS Arrest

< Description > Eye drops containing the anti-allergic agent ketotifen fumarate  
< Launch > November 2007

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### 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

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