

# Reference Data

## Fiscal Year 2008

(April 1, 2008 to March 31, 2009)

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## Consolidated Financial Data

(Yen Million)

|  | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | (Est.)          |           |
|--|--------------------|--------------------|--------------------|--------------------|-----------------|-----------|
|  |                    |                    |                    |                    | March 10 (FY09) |           |
|  |                    |                    |                    |                    | 2Q(4-9)         | Full Year |
| Net Sales                                    | 271,407            | 242,071            | 249,655            | 256,213            | 126,000         | 257,000   |
| (YOY%)                                       | (-2.9%)            | (-10.8%)           | (+3.1%)            | (+2.6%)            | (-0.2%)         | (+0.3%)   |
| Self-Medication operations                   | 174,831            | 149,486            | 152,678            | 161,141            | 82,800          | 162,500   |
| Prescription Pharmaceutical operations       | 96,576             | 92,585             | 96,977             | 95,072             | 43,200          | 94,500    |
| Gross profit                                 | 184,720            | 159,850            | 164,488            | 169,462            | 83,300          | 168,500   |
| Selling, general and administrative expenses | 138,325            | 137,493            | 127,535            | 131,526            | 67,300          | 134,500   |
| Research and development expenses            | 23,072             | 28,519             | 24,745             | 27,523             | 14,900          | 28,700    |
| (% Sales)                                    | (8.5%)             | (11.8%)            | (9.9%)             | (10.7%)            | (11.8%)         | (11.2%)   |
| Advertising expenses                         | 16,189             | 14,594             | 14,303             | 16,531             | 8,800           | 17,300    |
| Sales promotion expenses                     | 28,535             | 27,707             | 24,793             | 23,372             | 11,500          | 24,600    |
| Personnel expenses                           | 33,259             | 32,610             | 32,603             | 32,947             | 16,900          | 33,700    |
| Operating income                             | 46,395             | 22,357             | 36,952             | 37,935             | 16,000          | 34,000    |
| (YOY%)                                       | (-15.2%)           | (-51.8%)           | (+65.3%)           | (+2.7%)            | (-17.9%)        | (-10.4%)  |
| Ordinary income                              | 49,748             | 24,926             | 41,896             | 39,902             | 17,000          | 39,000    |
| (YOY%)                                       | (-14.3%)           | (-49.9%)           | (+68.1%)           | (-4.8%)            | (-18.1%)        | (-2.3%)   |
| Net income                                   | 35,884             | 15,420             | 25,004             | 8,815              | 9,500           | 23,000    |
| (YOY%)                                       | (+1.1%)            | (-57.0%)           | (+62.1%)           | (-64.7%)           | (-)             | (+160.9%) |
| EPS (yen)                                    | 116.18             | 50.54              | 84.01              | 30.01              | 32.83           | 79.49     |
| BPS (yen)                                    | 1,840.63           | 1,832.24           | 1,816.25           | 1,745.96           | 1,764.23        | 1,797.15  |
| Dividend per share(yen)                      | 30.00              | 27.00              | 27.00              | 27.00              | 12.00           | 27.00     |
| Payout Ratio                                 | 25.8%              | 53.4%              | 32.1%              | 90.0%              | 36.6%           | 34.0%     |
| Capital expenditure                          | 13,397             | 8,066              | 5,765              | 5,814              | 4,200           | 7,400     |
| Depreciation and amortization                | 12,809             | 12,134             | 11,733             | 11,014             | 5,400           | 10,900    |
| Total assets                                 | 664,431            | 631,929            | 627,224            | 591,568            | 597,000         | 607,000   |
| Shareholders' equity                         | 567,364            | 547,486            | 548,650            | 514,511            | 520,000         | 530,000   |
| Return on equity(%) *                        | 6.6%               | 2.8%               | 4.6%               | 1.7%               | -               | 4.5%      |
| Return on assets(%) *                        | 5.6%               | 2.4%               | 4.0%               | 1.4%               | -               | 3.8%      |
| Equity ratio(%)                              | 85.4%              | 86.3%              | 86.1%              | 85.4%              | 85.5%           | 85.7%     |
| Overseas sales                               | 8,477              | 7,329              | 11,297             | 8,184              | -               | -         |
| (% Sales)                                    | 3.1%               | 3.0%               | 4.5%               | 3.2%               | -               | -         |
| Number of employees                          | 5,191              | 5,191              | 5,327              | 5,409              | -               | -         |

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

## Consolidated Balance Sheets

(Millions of yen)

|                                     | End of FY2007  |               | End of FY2008  |               | change         |  |
|-------------------------------------|----------------|---------------|----------------|---------------|----------------|--|
|                                     | (March 31, 08) | % total       | March 31, 09)  | % total       |                |  |
| <b>(Assets)</b>                     |                |               |                |               |                |  |
| I Current assets:                   | 249,463        | 39.8%         | 215,872        | 36.5%         | -33,590        |  |
| Cash and deposits                   | 127,955        |               | 112,989        |               | -14,965        | Acquisition of shares of affiliated company and repurchase of treasury shares, etc.  |
| Notes and accounts receivable-trade | 61,625         |               | 61,968         |               | +343           |  |
| Marketable securities               | 25,195         |               | 2,918          |               | -22,276        | Bond redemption: ▲25,319, Transferred from investment securities +2,909  |
| Inventories                         | 24,074         |               | 22,146         |               | -1,927         | Merchandise and finished goods:▲1,460, work in progress:▲395, raw materials and supplies:▲72   |
| Deferred tax assets                 | 7,941          |               | 7,450          |               | -491           |  |
| Others                              | 2,671          |               | 8,398          |               | +5,726         | money trust for repurchase of treasury shares  |
| II Fixed assets:                    | 377,760        | 60.2%         | 375,696        | 63.5%         | -2,064         |  |
| (1) Tangible fixed assets:          | 97,149         | (15.5%)       | 92,961         | (15.7%)       | -4,188         |  |
| Buildings and structures            | 51,998         |               | 48,681         |               | -3,317         | Buildings:▲3,123, structures:▲194  |
| Machinery and equipment             | 11,126         |               | 9,211          |               | -1,914         | Machinery:▲1,899, vehicles:▲15   |
| Land                                | 29,657         |               | 29,652         |               | -5             |  |
| Others                              | 4,366          |               | 5,415          |               | +1,048         |  |
| (2) Intangible fixed assets:        | 22,751         | (3.6%)        | 10,108         | (1.7%)        | -12,643        |  |
| Goodwill                            | 15,852         |               | 2,484          |               | -13,368        | One-time write-off of Goodwill:▲12,852   |
| Trademarks                          | 3,197          |               | 2,443          |               | -753           | Vicks trademark amortization   |
| Software                            | 3,450          |               | 4,978          |               | +1,528         | Software assets posted, etc  |
| Others                              | 252            |               | 202            |               | -50            |  |
| (3) Investments and other assets:   | 257,858        | (41.1%)       | 272,626        | (46.1%)       | +14,767        |  |
| Investments in securities           | 216,968        |               | 205,410        |               | -11,558        | bond acquisition: +63,279, Bond redemption: ▲46,322<br>Decrease in evaluation gain: ▲21,839, Loss on devaluation of investment securities ▲3,332,<br>Transferred to marketable securities ▲2,909 |
| Affiliates' stock                   | 29,679         |               | 46,706         |               | +17,026        |  |
| Deferred tax assets                 | 4,953          |               | 14,121         |               | +9,167         | Increase due to decrease in evaluation gain of investments in securities   |
| Others                              | 6,257          |               | 6,388          |               | +131           |  |
| <b>Total assets</b>                 | <b>627,224</b> | <b>100.0%</b> | <b>591,568</b> | <b>100.0%</b> | <b>-35,655</b> |  |

|   |                |               |                |               |                |  |
|---|----------------|---------------|----------------|---------------|----------------|--|
| <b>(Liabilities)</b>                              |                |               |                |               |                |  |
| I Current liabilities:                            | 55,643         | 8.9%          | 54,130         | 9.1%          | -1,513         |  |
| Notes and accounts payable-trade                  | 20,159         |               | 20,149         |               | -9             |  |
| Accounts payable                                  | 12,660         |               | 11,265         |               | -1,394         |  |
| Accrued corporate tax                             | 9,730          |               | 9,193          |               | -537           |  |
| Allowance for bonuses                             | 4,292          |               | 4,326          |               | +34            |  |
| Others  | 8,800          |               | 9,194          |               | +393           |  |
| II Long-term liabilities:                         | 22,930         | 3.6%          | 22,927         | 3.9%          | -3             |  |
| Reserves for retirement benefits                  | 15,128         |               | 15,937         |               | +808           |  |
| Deferred taxes liabilities                        | 740            |               | 424            |               | -315           |  |
| Others  | 7,062          |               | 6,565          |               | -496           |  |
| <b>Total liabilities</b>                          | <b>78,573</b>  | <b>12.5%</b>  | <b>77,057</b>  | <b>13.0%</b>  | <b>-1,516</b>  |  |
| <b>(Net assets)</b>                               |                |               |                |               |                |  |
| I Shareholders' equity                            | 532,852        | 85.0%         | 516,948        | 87.4%         | -15,903        |  |
| Common Stock                                      | 29,804         | 4.8%          | 29,804         | 5.0%          | -              |  |
| Additional paid-in capital                        | 14,935         | 2.4%          | 14,935         | 2.5%          | -              |  |
| Retained earnings                                 | 534,550        | 85.2%         | 535,393        | 90.5%         | +842           | Net income: +8,815, Payment of dividend: ▲7,973          |
| Treasury stock                                    | -46,437        | -7.4%         | -63,183        | -10.6%        | -16,745        | Acquisition of treasury stock                            |
| II Valuation, translation, adjustments and others | 7,223          | 1.1%          | -11,782        | -2.0%         | -19,006        |  |
| Unrealized gain on securities                     | 9,630          | 1.5%          | -3,752         | -0.6%         | -13,382        | Decrease in evaluation gain of investments in securities |
| Others  | -2,406         | -0.4%         | -8,030         | -1.4%         | -5,623         | Foreign currency adjustment accounts:▲5,638              |
| III Minority interest                             | 8,573          | 1.4%          | 9,344          | 1.6%          | +771           |  |
| <b>Total net assets</b>                           | <b>548,650</b> | <b>87.5%</b>  | <b>514,511</b> | <b>87.0%</b>  | <b>-34,138</b> |  |
| <b>Total liabilities and net assets</b>           | <b>627,224</b> | <b>100.0%</b> | <b>591,568</b> | <b>100.0%</b> | <b>-35,655</b> |  |

## Consolidated P/L Statement

(Millions of yen)

|  | March 2008<br>(FY2007) |         | March 2009<br>(FY2008) |         | YOY<br>Change |  |
|--|------------------------|---------|------------------------|---------|---------------|--|
|  |                        | % Sales |                        | % Sales |               |  |
| Net sales  | 249,655                | 100.0%  | 256,213                | 100.0%  | +6,557        | Biofermin: +8,539  |
| Cost of sales  | 85,295                 | 34.2%   | 86,889                 | 33.9%   | +1,594        |  |
| Gross profit on sales                                      | 164,360                | 65.8%   | 169,324                | 66.1%   | +4,963        |  |
| Provision for sales returns                                | -127                   |         | -138                   |         | -10           |  |
| Gross profit   | 164,488                | 65.9%   | 169,462                | 66.1%   | +4,973        |  |
| Selling, general and administrative expenses               | 127,535                | 51.1%   | 131,526                | 51.3%   | +3,990        | Biofermin: +3,911  |
| Research and development expenses                          | 24,745                 |         | 27,523                 |         | +2,778        | Taisho: +2,497<br>Biofermin: +291  |
| Advertising expenses                                       | 14,303                 |         | 16,531                 |         | +2,228        | Taisho: ▲249<br>Biofermin: +2,450  |
| Sales promotion expenses                                   | 24,793                 |         | 23,372                 |         | -1,420        | Review the initial plan of the expenses for<br>prescription pharmaceutical business , etc.,<br>Biofermin: +326                                 |
| Personnel expenses   | 32,603                 |         | 32,947                 |         | +343          | Taisho: ▲88<br>Biofermin: +578   |
| Others   | 31,089                 |         | 31,150                 |         | +60           |  |
| Operating income   | 36,952                 | 14.8%   | 37,935                 | 14.8%   | +983          |  |
| Non-operating income                                       | 6,222                  | 2.5%    | 6,968                  | 2.7%    | +746          |  |
| Non-operating expenses                                     | 1,277                  | 0.5%    | 5,001                  | 1.9%    | +3,723        | Increase in equity in net losses of affiliates:<br>+4,092  |
| Ordinary income  | 41,896                 | 16.8%   | 39,902                 | 15.6%   | -1,994        |  |
| Extraordinary gains  | 236                    | 0.1%    | 5,417                  | 2.0%    | +5,180        | Gain on prior periods adjustment: +891*<br>Profit on sales of shares of related company<br>+4,382**  |
| Extraordinary losses                                       | 1,143                  | 0.5%    | 18,560                 | 7.2%    | +17,417       | One-time write-off of Biofermin goodwill:<br>+12,852, Evaluation loss on investment<br>securities +3,332, Loss on change in equity<br>+2,290** |
| Income before income taxes and minority interests          | 40,990                 | 16.4%   | 26,759                 | 10.4%   | -14,230       |  |
| Income taxes   | 15,782                 | 6.3%    | 16,818                 | 6.6%    | +1,036        | Biofermin: +855  |
| Minority interest gain (loss) of consolidated subsidiaries | 204                    | 0.1%    | 1,126                  | 0.4%    | +921          | Biofermin: +592  |
| Net income   | 25,004                 | 10.0%   | 8,815                  | 3.4%    | -16,188       |  |

\* Reflects the fact that some software-related lease fees expensed in prior years have now been capitalized.

\*\*Gain/loss resulting from the adjustment of equity in Toyama Chemical Co., Ltd.

## Consolidated Sales Breakdown by Category

(Yen Million)

|  | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | (Est.)          |           |
|--|--------------------|--------------------|--------------------|--------------------|-----------------|-----------|
|  |                    |                    |                    |                    | March 10 (FY09) |           |
|  |                    |                    |                    |                    | 2Q(4-9)         | Full Year |
| Self-Medication operations :             | 174,831            | 149,486            | 152,678            | 161,141            | 82,800          | 162,500   |
| (YOY%)                                   | (-4.7%)            | (-14.5%)           | (+2.1%)            | (+5.5%)            | (+0.4%)         | (+0.8%)   |
| OTC products, etc.                       | 163,866            | 137,728            | 140,072            | 148,229            | 76,400          | 149,400   |
| Foods for Specified Health Use, etc.     | 8,140              | 8,658              | 9,826              | 9,921              | 4,800           | 9,500     |
| Others                                   | 2,825              | 3,100              | 2,780              | 2,991              | 1,600           | 3,600     |
| Prescription Pharmaceutical operations : | 96,576             | 92,585             | 96,977             | 95,072             | 43,200          | 94,500    |
| (YOY%)                                   | (+0.6%)            | (-4.1%)            | (+4.7%)            | (-2.0%)            | (-1.4%)         | (-0.6%)   |
| Ethical drugs                            | 81,779             | 79,700             | 81,969             | 84,712             | 38,800          | 85,000    |
| Others                                   | 11,686             | 11,473             | 10,739             | 8,748              | 4,200           | 8,900     |
| Royalty income                           | 3,111              | 1,412              | 4,269              | 1,612              | 200             | 600       |
| Total                                    | 271,407            | 242,071            | 249,655            | 256,213            | 126,000         | 257,000   |

## Consolidated Operating Income by Category

(Millions of yen)

|  | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | (Est.)          |           |
|--|--------------------|--------------------|--------------------|--------------------|-----------------|-----------|
|  |                    |                    |                    |                    | March 10 (FY09) |           |
|  |                    |                    |                    |                    | 2Q(4-9)         | Full Year |
| Self-Medication operations             | 33,602             | 17,384             | 26,170             | 29,227             | 17,100          | 31,000    |
| (YOY%)                                 | (-13.9%)           | (-48.3%)           | (+50.5%)           | (+11.7%)           | (-8.4%)         | (+6.1%)   |
| Prescription Pharmaceutical operations | 12,793             | 4,973              | 10,781             | 8,707              | -1,100          | 3,000     |
| (YOY%)                                 | (-18.4%)           | (-61.1%)           | (+116.8%)          | (-19.2%)           | (-)             | (-65.5%)  |
| Total                                  | 46,395             | 22,357             | 36,952             | 37,935             | 16,000          | 34,000    |

## Consolidated Sales - Leading Brands of Self-Medication Operations

(Billions of yen)

|                                   | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | YOY<br>Change | (Est.)<br>March 10 (FY09) |           |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|---------------|---------------------------|-----------|
|                                   |                    |                    |                    |                    |               | 2Q(4-9)                   | Full Year |
|                                   |                    |                    |                    |                    |               | Lipovitan series          | 91.4      |
| Lipovitan D                       | 68.2               | 52.8               | 55.2               | 52.8               | -4.3%         | 29.4                      | 51.0      |
| Others                            | 23.2               | 20.6               | 21.4               | 22.0               | +2.8%         | 12.1                      | 21.9      |
| (100mL other Lipovitans)          | 11.9               | 11.3               | 13.0               | 13.3               | +2.6%         | 7.8                       | 13.9      |
| (50mL other Lipovitans)           | 11.3               | 9.2                | 8.5                | 8.7                | +3.0%         | 4.3                       | 8.0       |
| Pabron series                     | 26.1               | 23.1               | 23.2               | 25.4               | +9.2%         | 9.4                       | 25.2      |
| RiUP series                       | 12.0               | 8.8                | 10.0               | 11.4               | +13.9%        | 6.9                       | 13.0      |
| Gastrointestinal treatment series | 4.9                | 4.6                | 4.2                | 4.4                | +4.7%         | 2.2                       | 4.5       |
| ZENA series                       | 4.9                | 4.0                | 4.1                | 3.9                | -5.4%         | 1.8                       | 3.8       |
| Naron Series                      | 4.6                | 4.5                | 4.3                | 4.4                | +1.4%         | 2.3                       | 4.7       |
| Colac Series                      | 3.6                | 3.8                | 3.6                | 3.9                | +7.6%         | 1.9                       | 3.9       |
| VICKS series                      | 2.8                | 3.0                | 3.0                | 2.9                | -5.2%         | 0.9                       | 3.0       |
| Livita series                     | 2.4                | 2.3                | 2.3                | 2.6                | +11.9%        | 1.4                       | 2.9       |
| Overseas drinks                   | 4.3                | 5.0                | 6.1                | 6.0                | -2.7%         | 2.8                       | 5.5       |

(Rounded to the nearest hundred-million)

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

(Billions of yen)

|                        | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | YOY<br>Change |
|------------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| Drug-oriented channels | 50.1               | 41.4               | 41.1               | 39.9               | -2.8%         |
| Food-oriented channels | 47.5               | 37.2               | 40.7               | 40.0               | -1.7%         |
| Total                  | 97.7               | 78.6               | 81.7               | 79.9               | -2.3%         |

(Rounded to the nearest hundred-million)

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

(Billions of yen)

|                        | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | YOY<br>Change |
|------------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| Drug-oriented channels | 30.8               | 25.1               | 25.3               | 23.7               | -6.3%         |
| Food-oriented channels | 37.4               | 27.7               | 29.9               | 29.1               | -2.7%         |
| Total                  | 68.2               | 52.8               | 55.2               | 52.8               | -4.3%         |

(Rounded to the nearest hundred-million)

## Consolidated Sales - Leading Products of Prescription Pharmaceutical Operatio

(Billions of yen)

|               | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | YOY<br>Change | (Est.)<br>March 10 (FY09) |           |
|---------------|--------------------|--------------------|--------------------|--------------------|---------------|---------------------------|-----------|
|               |                    |                    |                    |                    |               | 2Q(4-9)                   | Full Year |
|               |                    |                    |                    |                    |               | Clarith                   | 27.5      |
| Palux         | 12.0               | 11.2               | 11.4               | 11.2               | -2.4%         | 5.6                       | 11.2      |
| PENTCILLIN    | 6.6                | 6.1                | 6.2                | 5.5                | -11.2%        | 2.7                       | 5.1       |
| Lorcam        | 4.5                | 4.3                | 4.3                | 4.0                | -8.0%         | 1.9                       | 3.7       |
| TOMIRON       | 4.2                | 3.5                | 3.0                | 3.0                | -2.3%         | 1.3                       | 2.9       |
| OZEX          | 3.3                | 3.2                | 3.4                | 3.0                | -12.8%        | 1.2                       | 2.7       |
| Metligine     | 2.1                | 2.0                | 2.0                | 1.9                | -2.3%         | 1.0                       | 1.9       |
| Geninax       | -                  | -                  | 3.3                | 3.7                | +13.4%        | 2.2                       | 5.1       |
| LUPRAC        | 1.9                | 2.0                | 2.0                | 2.1                | +2.9%         | 1.1                       | 2.1       |
| Tazocin+Zosyn | 0.8                | 1.0                | 1.3                | 4.0                | +200.1%       | 2.2                       | 5.4       |

(Rounded to the nearest hundred-million)

## Major Subsidiaries: Trend of Sales and Earnings

### Sales and Earnings of Taisho Toyama Pharmaceutical

(Billions of yen)

|                          | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | YOY<br>Change | (Est.)<br>March 10 (FY09) |           |
|--------------------------|--------------------|--------------------|--------------------|--------------------|---------------|---------------------------|-----------|
|                          |                    |                    |                    |                    |               | 2Q(4-9)                   | Full Year |
|                          |                    |                    |                    |                    |               | Net Sales                 | 82.7      |
| Taisho products          | 61.7               | 60.5               | 62.9               | 61.3               | -2.6%         | 27.8                      | 61.1      |
| Toyama Chemical products | 20.9               | 19.6               | 19.2               | 20.5               | +6.8%         | 9.7                       | 20.9      |
| Operating income         | 0.9                | 0.1                | 1.8                | 3.7                | +112.3%       | 0.0                       | 2.0       |
| Ordinary income          | 0.9                | 0.1                | 1.8                | 3.7                | +105.0%       | 0.0                       | 2.0       |
| Net income               | -0.3               | -0.7               | 0.5                | 1.7                | +222.5%       | -0.3                      | 0.7       |

(Rounded to the nearest hundred-million)

### Sales and Earnings of Biofermin Pharmaceutical

(Billions of yen)

|                   | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | YOY<br>Change | (Est.)<br>March 10 (FY09) |           |
|-------------------|--------------------|--------------------|--------------------|--------------------|---------------|---------------------------|-----------|
|                   |                    |                    |                    |                    |               | 2Q(4-9)                   | Full Year |
|                   |                    |                    |                    |                    |               | Net Sales                 | 7.3       |
| Self medication   | -                  | -                  | -                  | 5.5                | -             | 2.7                       | 5.2       |
| RX Pharmaceutical | -                  | -                  | -                  | 3.1                | -             | 1.5                       | 3.2       |
| Operating income  | 1.6                | 1.6                | 2.2                | 2.1                | -5.5%         | 1.1                       | 1.8       |
| Ordinary income   | 1.6                | 1.7                | 1.9                | 2.2                | +16.6%        | 1.1                       | 1.9       |
| Net income        | 1.0                | 1.0                | 1.1                | 1.4                | +24.8%        | 0.7                       | 1.1       |

(Rounded to the nearest hundred-million)

The income statement of Biofermin Pharmaceutical Co., Ltd. is consolidated from the first quarter of fiscal 2008, the year ending March 31, 2009.

## Consolidated: Capital Expenditure

(Millions of yen)

|                           | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | (Est.)          |           |
|---------------------------|--------------------|--------------------|--------------------|--------------------|-----------------|-----------|
|                           |                    |                    |                    |                    | March 10 (FY09) |           |
|                           |                    |                    |                    |                    | 2Q(4-9)         | Full Year |
| Total capital expenditure | 13,397             | 8,066              | 5,765              | 5,814              | 4,200           | 7,400     |
| Taisho Pharmaceutical     | 12,773             | 7,764              | 5,553              | 4,687              | 3,100           | 5,700     |
| Omiya Factory             | 6,605              | 5,060              | 1,185              | 1,404              | 500             | 2,300     |
| Hanyu Factory             | 195                | 114                | 70                 | 131                | 10              | 100       |
| Okayama Factory           | 1,860              | 93                 | 85                 | 58                 | 40              | 200       |
| Research Center           | 1,120              | 793                | 899                | 801                | 800             | 1,100     |
| Others                    | 2,993              | 1,704              | 3,312              | 2,293              | 1,750           | 2,000     |
| Subsidiaries              | 624                | 302                | 211                | 1,126              | 1,100           | 1,700     |

### <Main capital expenditure (fiscal 2008)>

#### - Non-consolidated

Research Center: ¥549 million for research equipment for general experimentation

Others: ¥919 million for version upgrade of backbone information system

#### - Subsidiaries

Biofermin: ¥446 million

## Consolidated: Depreciation and amortization

(Millions of yen)

|                               | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | (Est.)          |           |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|-----------------|-----------|
|                               |                    |                    |                    |                    | March 10 (FY09) |           |
|                               |                    |                    |                    |                    | 2Q(4-9)         | Full Year |
| Depreciation and amortization | 12,809             | 12,134             | 11,733             | 11,014             | 5,400           | 10,900    |
| Cost of sales                 | 4,381              | 4,275              | 5,410              | 4,742              | 1,800           | 4,400     |
| SGA expenses                  | 8,428              | 7,859              | 6,323              | 6,272              | 3,600           | 6,500     |

Note: In depreciation and amortization, figures for cost of sales and SGA expenses for March 08 have been revised.

## Consolidated: R&D Expenses

(Millions of yen)

|  | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | (Est.)          |           |
|--|--------------------|--------------------|--------------------|--------------------|-----------------|-----------|
|  |                    |                    |                    |                    | March 10 (FY09) |           |
|  |                    |                    |                    |                    | 2Q(4-9)         | Full Year |
| Total R&D expenses                     | 23,072             | 28,519             | 24,745             | 27,523             | 14,900          | 28,700    |
| Self-Medication operations             | 6,709              | 7,777              | 6,051              | 7,222              | 3,500           | 6,300     |
| Prescription Pharmaceutical operations | 16,362             | 20,741             | 18,693             | 20,300             | 11,400          | 22,400    |

## Subsidiaries and Affiliates

(As of March 31, 2009)

| Company                                    | Address        | Capital                   | Business  | Ownership |
|--|----------------|---------------------------|-----------|-----------|
| (1) Consolidated subsidiaries              |                |                           |           | %         |
| Taisho Kosei Service Co.,Ltd.              | Tokyo, Japan   | ,000 Yen<br>10,000        | SMG       | 100       |
| Taisho Okinawa Co.,Ltd.                    | Okinawa, Japan | ,000 Yen<br>50,000        | SMG       | 100       |
| Taisho M.T.C. Co.,Ltd.                     | Tokyo, Japan   | ,000 Yen<br>400,000       | SMG       | 60        |
| Taisho Pharmaceutical Logistics Co.,Ltd.   | Saitama, Japan | ,000 Yen<br>30,000        | SMG       | 100       |
| Biofermin Pharmaceutical Co., Ltd.         | Hyogo, Japan   | ,000 Yen<br>1,227,000     | SMG<br>PD | 56        |
| Taisho Toyama Pharmaceutical Co.,Ltd.      | Tokyo, Japan   | ,000 Yen<br>2,000,000     | PD        | 55        |
| Medwell Taisho Co.,Ltd.                    | Saitama, Japan | ,000 Yen<br>200,000       | PD        | 100       |
| Mejiro Real Estate Co.,Ltd.                | Tokyo, Japan   | ,000 Yen<br>600,000       | SMG       | 100       |
| Shimoda Central Co.,Ltd.                   | Tokyo, Japan   | ,000 Yen<br>300,000       | SMG       | 100       |
| TAISHO ACTIVE HEALTH Co., Ltd.             | Tokyo, Japan   | ,000 Yen<br>100,000       | SMG       | 55        |
| Taisho Pharmaceutical (Taiwan) Co.,Ltd.    | Taiwan         | ,000 NT\$<br>200,000      | SMG       | 100       |
| Taisho Pharmaceutical California Inc.      | U.S.A.         | ,000 US\$<br>41,050       | SMG       | 100       |
| Taisho Pharmaceutical (M) SDN. BHD.        | Malaysia       | ,000 M\$<br>24,380        | SMG       | 100       |
| Taisho Pharmaceuticals (Philippines), Inc. | Philippines    | ,000 Peso<br>18,900       | SMG       | 100       |
| PT. Taisho Indonesia                       | Indonesia      | ,000 rupiah<br>42,920,000 | SMG       | 100       |
| Taisho Foods Deutschland GmbH              | Germany        | ,000 Euro<br>306          | SMG       | 100       |
| Taisho Co.,Ltd. Shanghai                   | China          | ,000 CNY<br>132,621       | SMG       | 85        |
| Taisho Pharmaceutical Asia (M) SDN. BHD.   | Malaysia       | ,000 M\$<br>26,500        | SMG       | 100       |
| Taisho Pharmaceutical (Europe) Ltd.        | United Kingdom | ,000 £<br>20,000          | SMG       | 100       |
| Taisho Vietnam Co.,Ltd.                    | Vietnam        | ,000 VND<br>170,754,300   | SMG       | 81        |
| Taisho Pharmaceutical (H.K.) Ltd.          | China          | ,000 HK\$<br>163,000      | SMG       | 100       |
| Osotspa Taisho Co.,Ltd.                    | Thailand       | ,000 THB<br>15,000        | SMG       | 49        |
| Taisho Pharmaceutical R&D Inc.             | U.S.A.         | ,000 US\$<br>4,000        | PD        | 100       |
| (2) Equity Accounting Method               |                |                           |           |           |
| Toyama Chemical Co.,Ltd.                   | Tokyo, Japan   | ,000 Yen<br>37,400,593    | PD        | 34        |
| Yomeishu Seizo Co., Ltd.                   | Tokyo, Japan   | ,000 Yen<br>1,650,000     | SMG       | 21        |
| Taisho Hizon Manufacturing Inc.            | Philippines    | ,000 Peso<br>17,000       | SMG       | 50        |

SMG=Self-Medication operations PD=Prescription Pharmaceutical operations

Note: In addition to the above, there is 15.3% indirect ownership of Taisho Toyama Pharmaceutical Co., Ltd., 15.0% indirect ownership of Taisho Co., Ltd. Shanghai and 19.4% indirect ownership of Taisho Vietnam Co., Ltd.

## Non-consolidated Financial Data

(Millions of yen)

|  | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | (Est.)          |           |
|--|--------------------|--------------------|--------------------|--------------------|-----------------|-----------|
|  |                    |                    |                    |                    | March 10 (FY09) |           |
|  |                    |                    |                    |                    | 2Q(4-9)         | Full Year |
| Net Sales                                    | 223,034            | 194,356            | 201,665            | 198,856            | 99,000          | 199,500   |
| (YOY%)                                       | (-4.2%)            | (-12.9%)           | (+3.8%)            | (-1.4%)            | (-0.5%)         | (+0.3%)   |
| Self-Medication operations                   | 168,762            | 142,083            | 144,801            | 147,872            | 76,500          | 150,000   |
| Prescription Pharmaceutical operations       | 54,272             | 52,273             | 56,864             | 50,984             | 22,500          | 49,500    |
| Gross profit                                 | 152,692            | 128,696            | 132,993            | 131,783            | 65,900          | 131,300   |
| Selling, general and administrative expenses | 107,927            | 107,188            | 98,785             | 99,775             | 51,400          | 101,800   |
| Research and development expenses            | 23,093             | 28,539             | 24,765             | 27,253             | 14,800          | 28,500    |
| (% Sales)                                    | (10.4%)            | (14.7%)            | (12.3%)            | (13.7%)            | (14.9%)         | (14.3%)   |
| Advertising expenses                         | 15,992             | 14,422             | 14,008             | 13,759             | 7,500           | 14,500    |
| Sales promotion expenses                     | 15,588             | 14,287             | 12,719             | 12,262             | 5,900           | 12,500    |
| Personnel expenses                           | 17,515             | 17,237             | 17,402             | 18,615             | 9,500           | 19,000    |
| Operating income                             | 44,764             | 21,507             | 34,207             | 32,007             | 14,500          | 29,500    |
| (YOY%)                                       | (-15.0%)           | (-52.0%)           | (+59.1%)           | (-6.4%)            | (-18.0%)        | (-7.8%)   |
| Ordinary income                              | 49,018             | 27,527             | 40,122             | 38,981             | 18,500          | 36,500    |
| (YOY%)                                       | (-13.4%)           | (-43.8%)           | (+45.8%)           | (-2.8%)            | (-12.3%)        | (-6.4%)   |
| Net income                                   | 36,057             | 16,749             | 25,910             | 11,863             | 12,000          | 23,500    |
| (YOY%)                                       | (+0.8%)            | (-53.5%)           | (+54.7%)           | (-54.2%)           | (-)             | (+98.1%)  |
| EPS (yen)                                    | 116.74             | 54.86              | 86.99              | 40.36              | 41.45           | 81.16     |
| Capital expenditure                          | 12,773             | 7,764              | 5,553              | 4,687              | 3,100           | 5,700     |
| Depreciation and amortization                | 12,475             | 11,786             | 11,399             | 10,264             | 5,000           | 10,100    |
| Total assets                                 | 649,138            | 614,943            | 604,665            | 576,022            | 583,000         | 592,000   |
| Shareholders' equity                         | 572,015            | 551,107            | 547,234            | 521,995            | 529,000         | 537,000   |
| Return on equity(%) *                        | 6.6%               | 3.0%               | 4.7%               | 2.2%               | -               | 4.4%      |
| Return on assets(%) *                        | 5.8%               | 2.6%               | 4.2%               | 2.0%               | -               | 4.0%      |
| Equity ratio(%)                              | 88.1%              | 89.6%              | 90.5%              | 90.6%              | 90.7%           | 90.7%     |
| Number of employees                          | 3,315              | 3,329              | 3,478              | 3,516              | -               | -         |

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

## Non-consolidated Sales Breakdown by Category

(Yen million)

|  | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) | (Est.)          |           |
|--|--------------------|--------------------|--------------------|--------------------|-----------------|-----------|
|  |                    |                    |                    |                    | March 10 (FY09) |           |
|  |                    |                    |                    |                    | 2Q(4-9)         | Full Year |
| Self-Medication operations :             | 168,762            | 142,083            | 144,801            | 147,872            | 76,500          | 150,000   |
| (YOY%)                                   | (-4.7%)            | (-15.8%)           | (+1.9%)            | (+2.1%)            | (+1.5%)         | (+1.4%)   |
| OTC products, etc.                       | 163,697            | 137,187            | 139,701            | 142,288            | 73,600          | 144,000   |
| Foods for Specified Health Use, etc.     | 3,801              | 3,669              | 3,708              | 3,959              | 2,000           | 4,000     |
| Others                                   | 1,264              | 1,227              | 1,392              | 1,625              | 900             | 2,000     |
| Prescription Pharmaceutical operations : | 54,272             | 52,273             | 56,864             | 50,984             | 22,500          | 49,500    |
| (YOY%)                                   | (-2.7%)            | (-3.7%)            | (+8.8%)            | (-10.3%)           | (-6.9%)         | (-2.9%)   |
| Ethical drugs                            | 40,299             | 39,673             | 41,917             | 40,666             | 18,100          | 40,000    |
| Others                                   | 10,862             | 11,188             | 10,678             | 8,706              | 4,200           | 8,900     |
| Royalty income                           | 3,111              | 1,412              | 4,269              | 1,612              | 200             | 600       |
| Total                                    | 223,034            | 194,356            | 201,665            | 198,856            | 99,000          | 199,500   |

## Non-consolidated Sales Breakdown by Therapeutic Category

(Yen million)

|   | March 06<br>(FY05) | March 07<br>(FY06) | March 08<br>(FY07) | March 09<br>(FY08) |
|---|--------------------|--------------------|--------------------|--------------------|
| Nervous system and sensory organ drugs    | 36,748             | 33,026             | 33,384             | 35,716             |
| Cardiovascular and digestive system drugs | 27,608             | 27,485             | 27,622             | 28,830             |
| Nutrient drugs                            | 100,087            | 81,069             | 83,436             | 81,511             |
| Dermatological preparations               | 21,678             | 17,757             | 18,294             | 19,464             |
| Antibiotics and others                    | 29,944             | 29,876             | 30,885             | 27,700             |
| Foods for Specified Health Use, etc.      | 3,804              | 3,672              | 3,710              | 3,961              |
| Royalty income                            | 3,165              | 1,472              | 4,334              | 1,673              |
| Total                                     | 223,034            | 194,356            | 201,665            | 198,856            |

## Shareholders Information (as of end of March 2009)

### Major Shareholders

(Thousands of Shares)

|  | Number of shares | % of total |
|--|------------------|------------|
| Uehara Memorial Foundation                           | 43,000           | 14.85%     |
| Shoji Uehara   | 36,614           | 12.65%     |
| Japan Trustee Services Bank, Ltd. (Trust account 4G) | 10,014           | 3.46%      |
| Sumitomo Mitsui Banking Corp.                        | 10,000           | 3.45%      |
| The Bank of Tokyo-Mitsubishi UFJ                     | 10,000           | 3.45%      |
| Uehara Museum of Modern Art Foundation               | 10,000           | 3.45%      |
| Akira Uehara   | 7,145            | 2.47%      |
| Japan Trustee Services Bank, Ltd. (Trust account)    | 7,143            | 2.47%      |
| Sumitomo Chemical                                    | 7,033            | 2.43%      |
| Kajima Corporation                                   | 5,500            | 1.90%      |

Note(1): Number of shares are rounded down to the nearest 1,000.

% of total calculated excluding treasury stocks (30,929 thousand shares)

Note(2): The above shareholders excluding treasury stocks (30,929 thousand shares)

### Distribution of Shareholders

|                            |        |
|----------------------------|--------|
| Financial Institutions     | 18.70% |
| Financial Instruments Firm | 0.22%  |
| Other companies            | 32.88% |
| Foreign Companies          | 10.78% |
| Individuals and Others     | 27.77% |
| Treasury stocks            | 9.65%  |

(Rounded the numbers to two places of decimals)

# Prescription Pharmaceutical operations: New Drug Development

As of May 15, 2009

## (1) Development in Japan

### Approved

#### 1) Clarith Tablets 200

- < Application > Nontuberuculous mycobacteriosis (lung infection)
- < Development > Co-development with Abbott Japan
- < Description > Macrolide antibiotic
- < Remarks > Additional indication  
Approved on August 29, 2008

### Phase 3

#### 1) CT-081

- < Application > Osteoporosis
- < Development > Co-development with Chugai Pharmaceutical
- < Description > Activated vitamin D<sub>3</sub> derivative
- < Remarks > Chugai Pharmaceutical development code: ED-71  
Announced trial results showing a significant reduction in the incidence of new vertebral fractures in osteoporosis patients (December 16, 2008)

### 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) TT-063

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

#### 2) NT-702

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

#### 3) 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

# Prescription Pharmaceutical operations: New Drug Development

As of May 15, 2009

## (1) Development in Japan (continued)

|         |
|---------|
| Phase 2 |
|---------|

### 4) CT-064 (Oral)

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

### 5) TS-071

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

### 6) TS-022

- < Application > Pruritus caused by atopic dermatitis
- < Development > In-house
- < Description > Prostaglandin derivative
- < Remarks > Overseas: Phase 2

### 7) Palux

- < Application > Intermittent claudication caused by spinal canal stenosis
- < Development > In-house
- < Description > Prostaglandin E1 preparation
- < Remarks > Additional indication

## (2) Development in Overseas Countries

|         |
|---------|
| Phase 2 |
|---------|

### 1) TS-022

- < Application > Pruritus caused by atopic dermatitis
- < Development > In-house
- < Description > Prostaglandin derivative
- < Remarks > In Japan: Phase 2

# Launch of New Products

As of May 15, 2009

|                            |
|----------------------------|
| Self-Medication operations |
|----------------------------|

## 1) Caffeine 180

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

< Launch > April 2008

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## 2) Ciganon CQ

< Description > A patch-type smoking cessation drug marketed in 19 countries worldwide with top global market share

< Launch > July 2008

---

## 3) ALFE neo

< Description > A quasi-drug mini-drink that is easy to consume despite being formulated with iron

< Launch > July 2008

---

## 4) Karada Kankyo Diet Nensho no Ippon KOKOZO

< Description > A diet support drink formulated with four categories of natural ingredients, including kudzu

< Launch > July 2008

---

## 5) Lipovitan Amino

< Description > An energy drink formulated with Branched Chain Amino Acid (BCAA), arginine, B-complex vitamins and other ingredients

< Launch > August 2008

---

## 6) Pabron Gargle 365

< Description > A family use gargle packaged in a large-volume pump bottle

< Launch > August 2008

---

## 7) hisoca

(Punica Granatum, Pyrus Communis/Royal Jelly, Prunus Domestica/Houttuyniae Herba)

< Description > Three additional concentrated herbal beverages jointly developed with Isetan Company Limited

< Launch > September 2008

---

## 8) Pabron 50

< Description > A new cold remedy developed based on common concerns arising when taking cold medicine

< Launch > September 2008

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## 9) Meditreat

< Description > A vaginal suppository formulated with miconazole nitrate for treatment of recurrent vaginal candida

< Launch > October 2008

---

## Launch of New Products

As of May 15, 2009

|  |
|--|
| Self-Medication operations (continued) |
|--|

### 10) Lipovitan Noncaffe

< Description > A 100 mL energy drink containing no caffeine  
< Launch > October 2008

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### 11) Cholescare Chitosan Green Juice

< Description > A green juice recognized as a food for specified health use (FOSHU)  
that inhibits cholesterol absorption by the body  
< Launch > October 2008

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### 12) DENTWELL [medicated] VC

< Description > Relaunch of a medicated toothpaste containing stable vitamin C  
< Launch > November 2008

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### 13) Glucocare Green Tea

< Description > Relaunch of a food for specified health use (FOSHU) designed to regulate  
the absorption of sugar after meals, in the form of a delicious green tea  
< Launch > December 2008

---

### 14) IRIS CL

< Description > Relaunch of tear-like eye drops packaged in a special preservative-free container,  
a first for an OTC drug  
< Launch > February 2009

---

### 15) Meditreat Cream

< Description > The first OTC cream-type treatment for recurrent vaginal candida  
formulated with miconazole nitrate  
< Launch > March 2009

---

### 16) NARON ACE R

< Description > An antipyretic and analgesic formulated with five active ingredients,  
centered on the two fever and pain inhibitors ibuprofen and ethenzamide  
< Launch > March 2009

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### 17) Stopan

< Description > A switch-OTC analgesic gastrointestinal treatment formulated with  
the tiquizium bromide, a prescription-based anticholinergic agent  
< Launch > April 2009

---

### 18) Diclotect (Tape, Gel and Lotion)

< Description > A switch-OTC topical analgesic and anti-inflammatory drug  
formulated with the prescription ingredient diclofenac sodium  
< Launch > April 2009

---

# Launch of New Products

As of May 15, 2009

|  |
|--|
| Prescription Pharmaceutical operations |
|--|

## 1) ZOSYN

< Description > An injectable antibiotic combination product consisting of the  $\beta$ -lactamase inhibitor tazobactam sodium and the penicillin-derivative antibacterial agent piperacillin sodium in a ratio of 1:8 as value of the force

< Launch > October 2008

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## 2) Sumilu Stick (40g dial container)

< Description > An additional new packaging for the Sumilu Stick topical anti-inflammatory analgesic formulated with felbinac

< Launch > October 2008

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