

Positioning of Alliance in Taisho Pharmaceutical's Business Strategy and Its Objectives



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Taisho Pharmaceutical
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■ Announced February 12 (Tuesday)

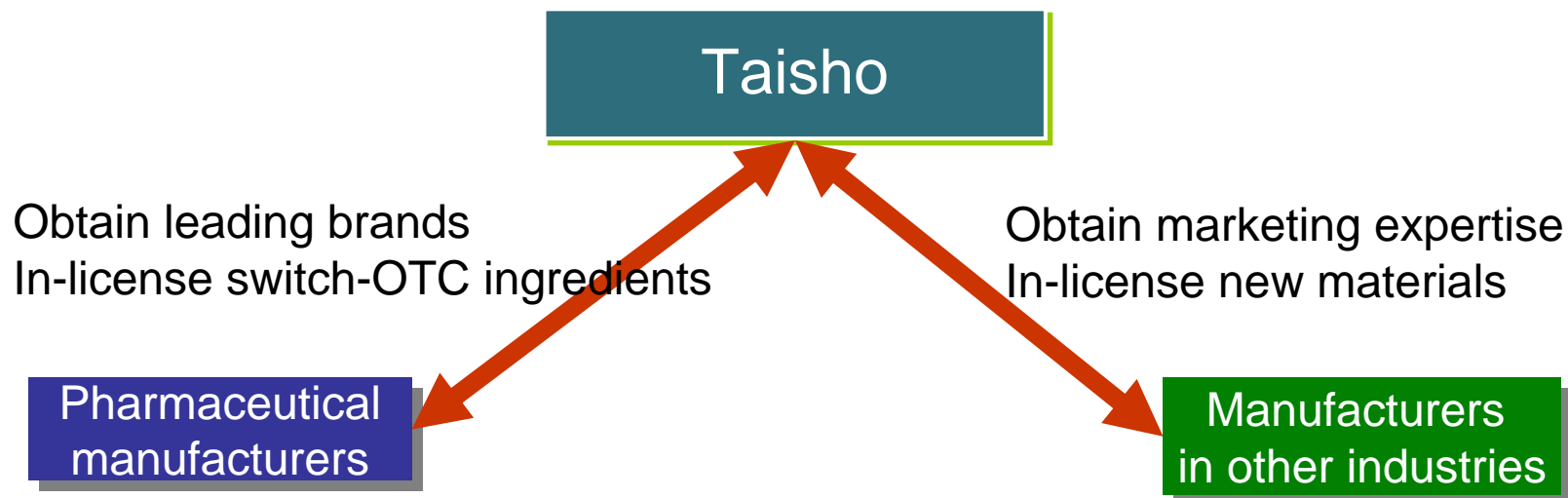
Commencement of Tender Offer for Biofermin Pharmaceutical Shares

■ Announced February 13 (Wednesday)

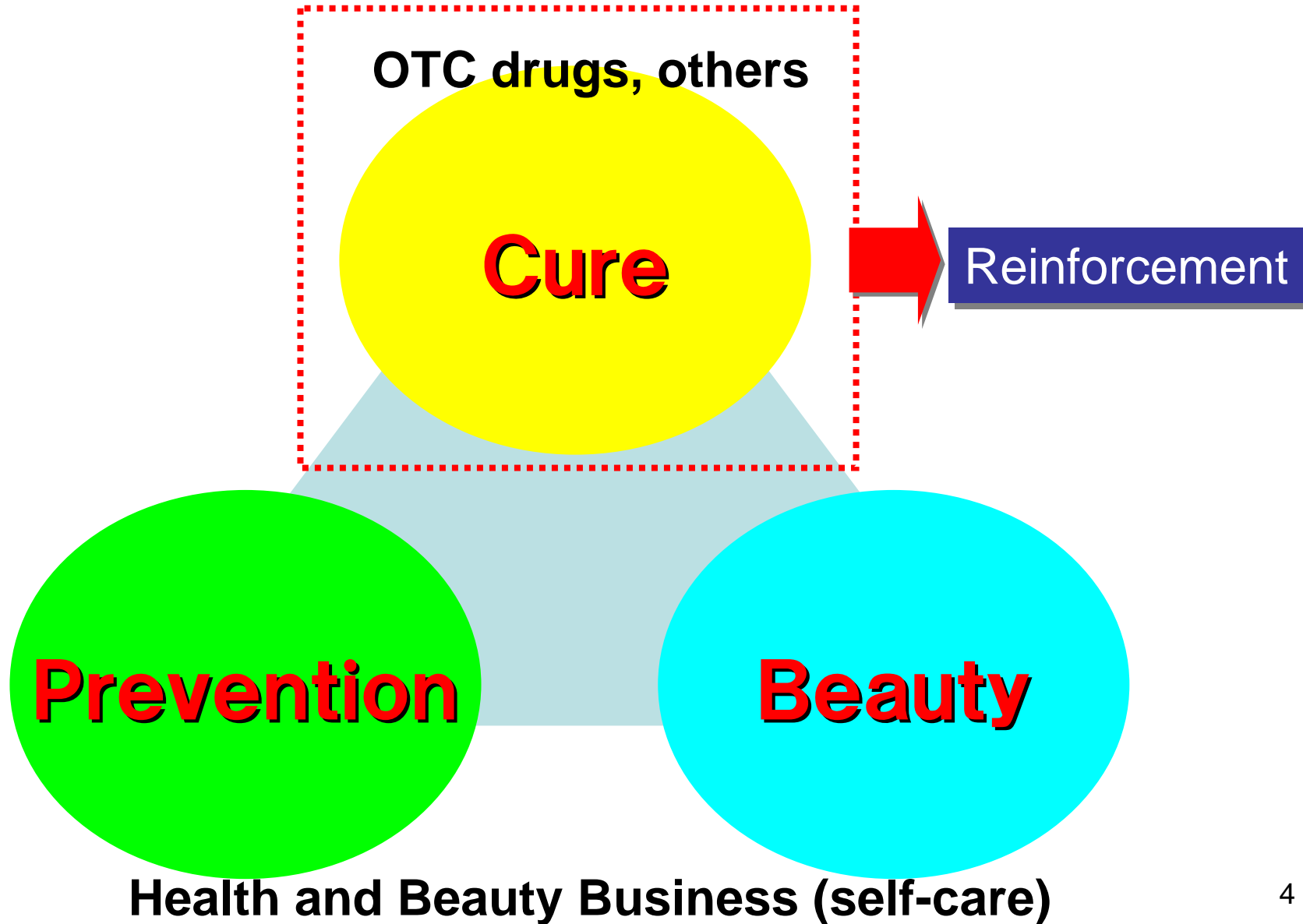
Notification with Respect to the Basic Agreement Between FUJIFILM, Taisho Pharmaceutical and Toyama Chemical Regarding a Strategic Capital and Business Alliance

Basic Approach

- Obtain leading brands
- In-license switch-OTC ingredients
- In-license new Health & Beauty product materials
- Obtain marketing expertise



Self-Medication Business Fields



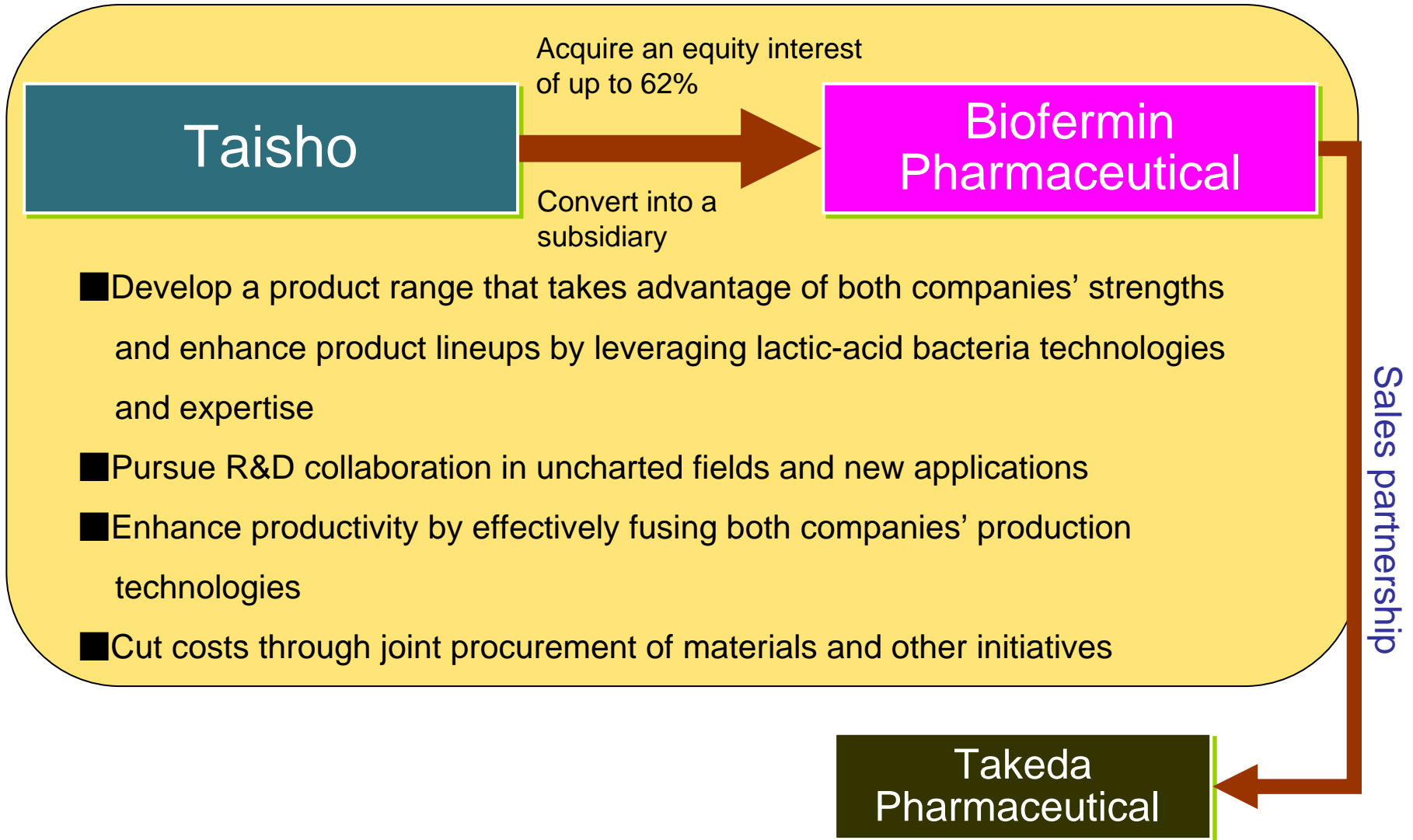
Background to Tender Offer for Biofermin Pharmaceutical

Market Size	Category	Taisho Brand	Taisho Ranking	No.1 Brand
1st	Cold remedies	<i>Pabron</i>	1st	—
2nd	Skin medications	<i>Emazen</i>	—	<i>Muhi</i>
3rd	Vitamins	<i>Renox / Binoron</i>	—	<i>Alinamin</i>
4th	Nutrition supplements	<i>Samon</i>	—	<i>Chondroitin ZS</i>
5th	Mini-drinks	<i>Lipovitan / ZENA</i>	1st	—
6th	Poultices	<i>Menfula</i>	12th	<i>Salonpas</i>
7th	Energy drinks	<i>Lipovitan</i>	1st	—
8th	Eye drops	<i>IRIS</i>	6th	<i>ROHTO</i>
9th	GI drugs	<i>Taisho Kampo</i>	4th	<i>Cabagin</i>
10th	Painkillers	<i>Naron</i>	3rd	<i>Bufferin</i>
11th	Kampo medication	—	—	<i>Kanebo</i>
12th	Anti-diarrheric intestinal regulator	—	—	<i>Biofermin</i>
13th	Cough suppressants	<i>Pabron</i>	2nd	<i>Bron</i>
14th	Laxatives	<i>Colac</i>	1st	—
15th	Athlete's foot treatments	<i>Dermarin</i>	2nd	<i>BUTENALOCK</i>

Based on research of pharmacy channels by Taisho.

The intestinal regulator market represents a fairly high-profile drug category in terms of market size, but Taisho has yet to make its mark here. Harnessing the powerful *Biofermin* brand, Taisho aims to bolster its stature in this market.

Projected Synergies with Biofermin Pharmaceutical



*Takeda Pharmaceutical will continue to sell both OTC and prescription drugs for the time being.

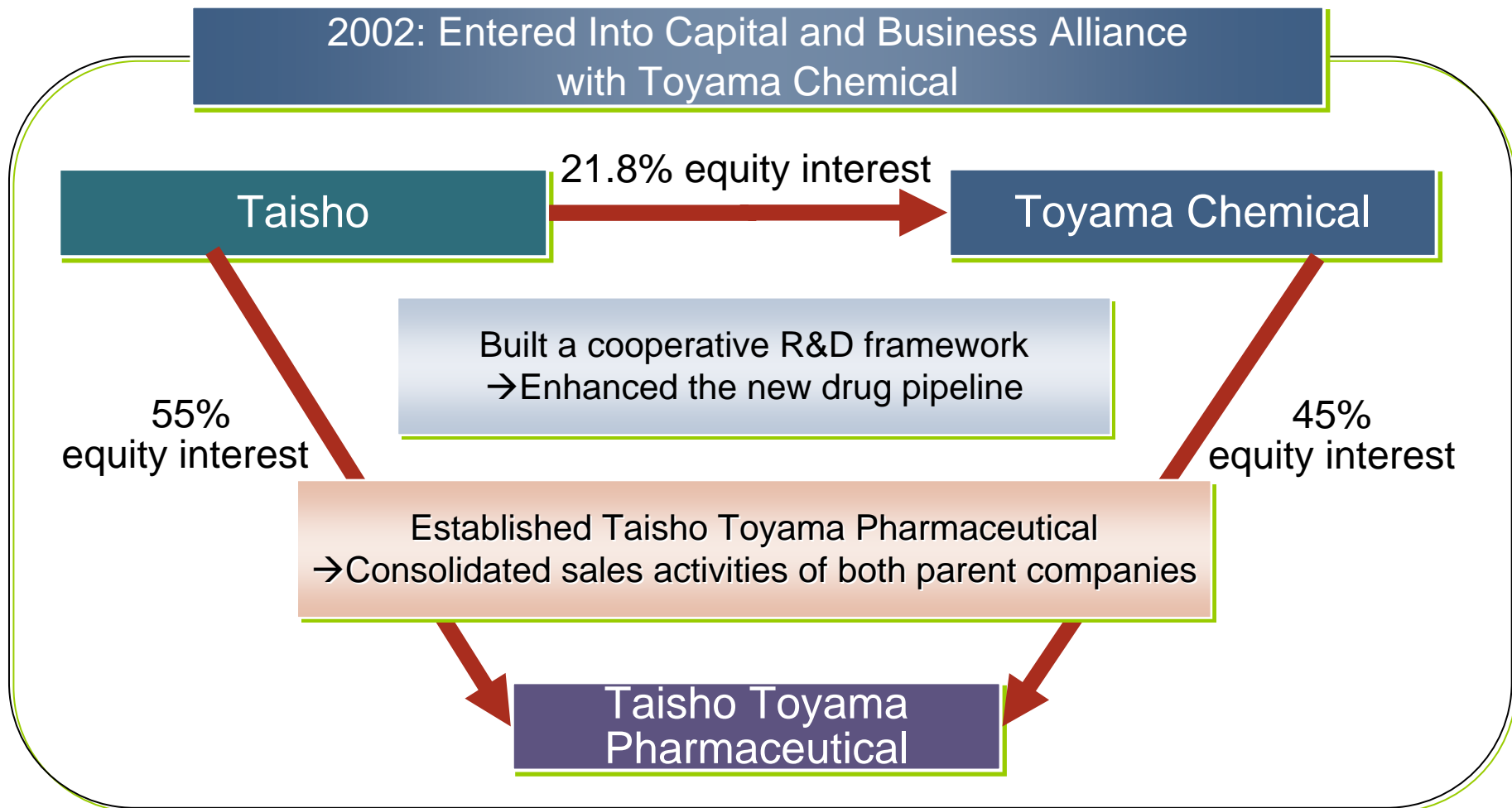
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Bolstering the Prescription Pharmaceutical Operation Group



Become a leading company in the fields of infectious, inflammatory and immunological diseases

Benefits of the Toyama Chemical Alliance

Sales

Consolidated sales activities into Taisho Toyama Pharmaceutical

Established nationwide sales force of 950 MRs

Clinical development

Accelerated clinical development by stepping up joint development in infectious diseases

Achieved early launch of T-3811 (*Geninax*), a synthetic quinolone antibacterial agent

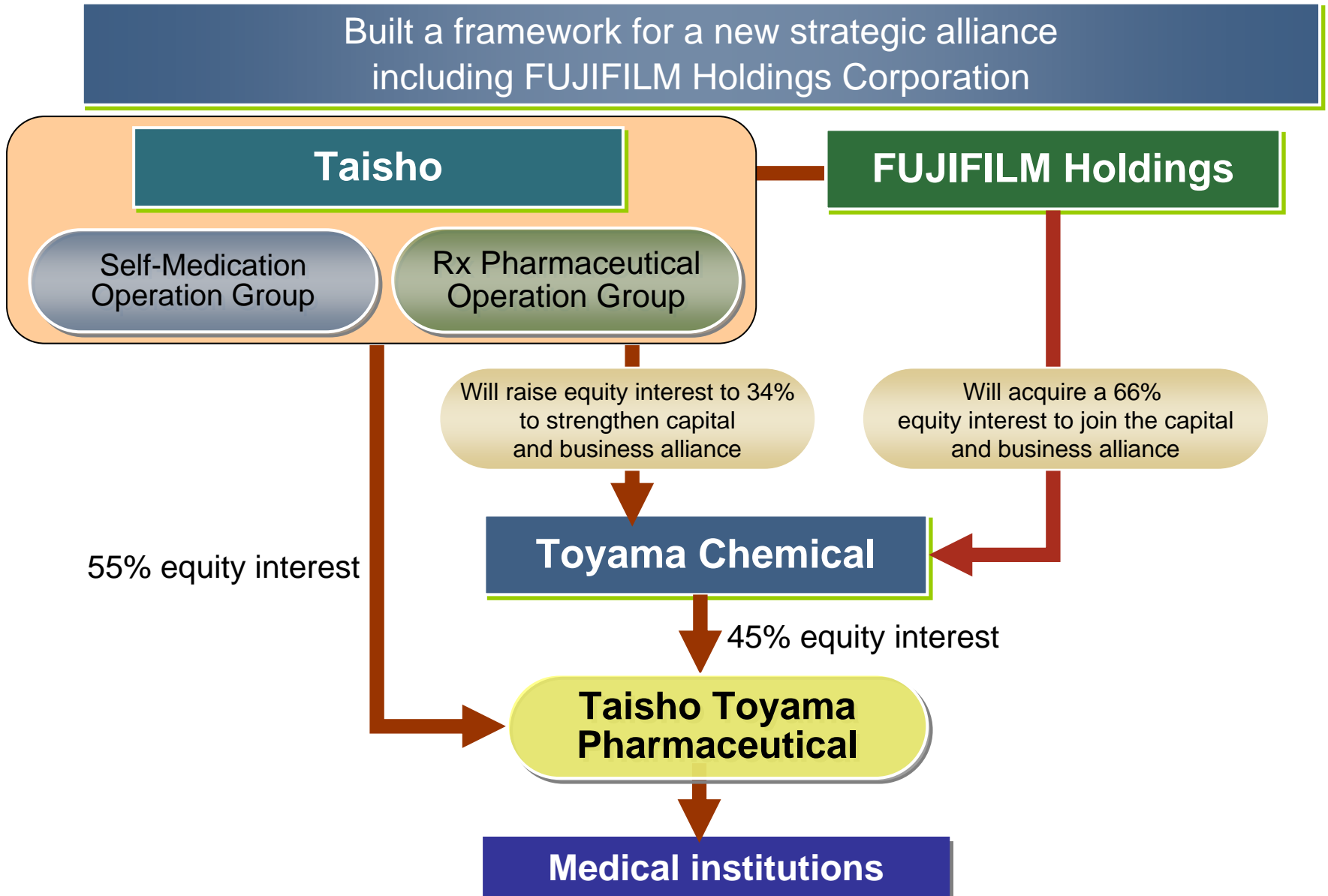
Drug development research

Joint development of new drugs

Created promising drug candidates for development

Laid strong foundations for becoming a leading company in the fields of infectious, inflammatory and immunological diseases

Three-way Strategic Alliance



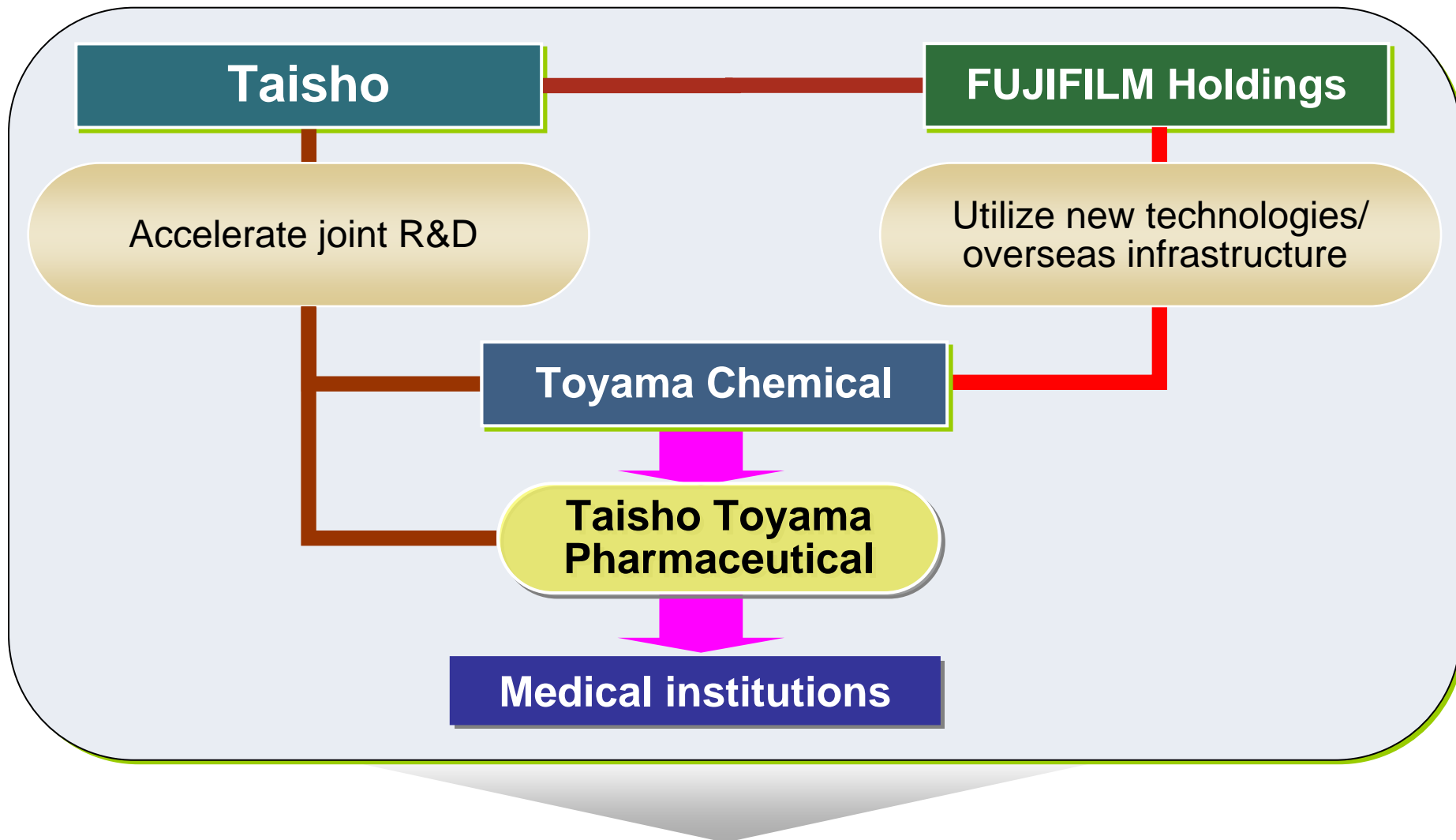
Prescription Pharmaceutical Operation Group: Objectives of Strengthening the Alliance

- Accelerate R&D to bring new drugs to market
 - Make significant strides to becoming a leading company in the field of infectious diseases
 - Increase the number of products sold by Taisho Toyama Pharmaceutical by bringing new drugs to market

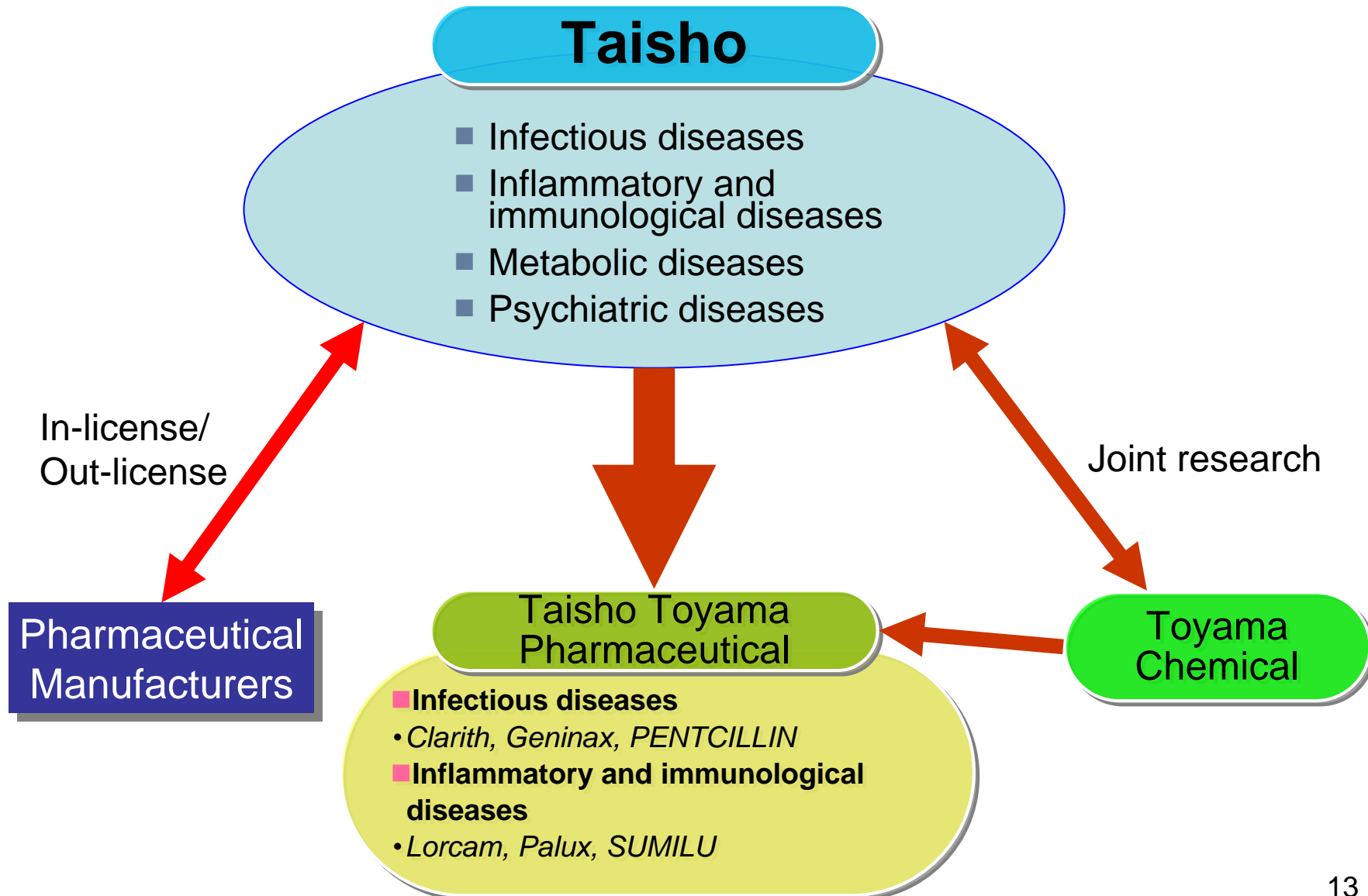
Self-Medication Operation Group: Objectives of the Alliance

- Foster collaboration between the Self-Medication Operation Group and FUJIFILM Holdings
 - In-license proprietary FUJIFILM Holdings' technologies and apply them to health-related products

Three-way Strategic Alliance



Drive further improvement in corporate value
through the three-way strategic alliance



Growth Driven by Two Businesses: the Self-Medication Operation Group and Prescription Pharmaceutical Operation Group

Self-Medication Operation Group

- Nutrition-fortified health-care product: *Lipovitan D*
- Curative drugs: *Pabron*, *Taisho Kampo* (Herbal gastrointestinal remedy)
- Lifestyle enhancement drugs: *RiUP* series
- Foods for Specified Health Use: *Livita* series

Prescription Pharmaceutical Operation Group

- Macrolide antibiotic: *Clarith*
- Quinolone antibacterial agent: *Geninax*
- Peripheral vasodilator: *Palux*
- Nonsteroidal anti-inflammatory/analgesic drug: *Lorcam*

Health promotion/
prevention



Therapeutic

A pharmaceutical manufacturers covering all bases
from health promotion/prevention to cures