

# ANNUAL REPORT 2002

Year Ended March 31, 2002



TAISHO PHARMACEUTICAL CO., LTD.

# On the 90th Anniversary of Taisho's Foundation



In 2002, Taisho Pharmaceutical Co., Ltd., commemorates its 90th year of business. We would like to express our gratitude to all of those who have supported us, primarily our customers and stakeholders, and reiterate our commitment to growth-oriented reform and proactive measures.

Taisho's mission is to create and offer superior pharmaceuticals and health-related products as well as health care-related information and services that contribute to the enrichment of lives by improving people's health. At the same time, we aim to post solid growth and continue to expand even amid heightened global competition by building a firm business foundation. Every member of the Taisho team—from top executives to regular employees—takes a customer-oriented, long-term approach to decision making while maintaining a spirit of compliance.

Years of experience have formed Taisho's Self-Medication Operation Group, which comprises over-the-counter (OTC) drugs and health-related products, into the bedrock of the Company's business. To date, we have led the domestic OTC market as the number one company in the industry and will continue to aggressively promote OTC operations as our top-priority business. In the Prescription Pharmaceutical Operation Group, which constitutes the second pillar of our business, we focus on four critical therapeutic areas—cerebral circulation and dementia, central nervous system, immunology and allergy, and diabetes—in an effort to discover highly original new drugs that have global market potential, and, to this end, we devote our efforts to efficient R&D. In addition to our domestic activities, we capitalize on the strength of the Self-Medication Operation Group to drive further global expansion.

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### Cautionary Statement with Respect to Forward-Looking Statements

This annual report contains statements about Taisho's future business plans and strategies as well as estimates. Statements regarding the Company's projected business results are not based on historical facts and are subject to various risks and uncertainties. However, it should be noted that elements affecting performance are not limited to the previously mentioned factors.

## Performance at a Glance

### Consolidated Financial Data

Taisho Pharmaceutical Co., Ltd. and Consolidated Subsidiaries March 31, 2002 and 2001

	Millions of yen		% change
	2002	2001	
Net sales .....	<b>¥271,397</b>	¥ 274,396	(1.1)
Net income .....	<b>37,361</b>	31,269	19.5
Total assets .....	<b>590,036</b>	573,612	2.9
Total shareholders' equity.....	<b>486,882</b>	467,601	4.1
Shareholders' equity per share (yen).....	<b>1,434.51</b>	1,371.99	4.6
Net income per share—basic (yen) .....	<b>109.66</b>	91.41	20.0
Cash dividends per share (yen) .....	<b>25.00</b>	25.00	0
Shareholders' equity ratio (%) .....	<b>82.5</b>	81.5	1.0*
ROE (%) .....	<b>7.8</b>	6.9	0.9*
Price earnings ratio (PER) (times).....	<b>17.75</b>	29.26	(11.51)
Number of employees .....	<b>4,894</b>	5,026	(2.6)

\* Percentage points

### Non-Consolidated Financial Data

Taisho Pharmaceutical Co., Ltd. March 31, 2002, 2001, 2000, 1999 and 1998

	Millions of yen				
	2002	2001	2000	1999	1998
Net sales .....	<b>¥266,158</b>	¥ 269,511	¥ 271,017	¥ 229,571	¥ 240,009
Net income .....	<b>37,245</b>	31,256	50,577	29,601	33,181
Total assets.....	<b>589,386</b>	575,075	524,675	473,669	448,553
Total shareholders' equity.....	<b>488,302</b>	471,978	441,332	394,431	371,837
Shareholders' equity per share (yen).....	<b>1,438.70</b>	1,384.24	1,284.79	1,141.60	1,076.21
Net income per share (yen).....	<b>109.32</b>	91.33	146.81	85.67	96.36
Cash dividends per share (yen) .....	<b>25.00</b>	25.00	25.00	20.00	20.00
Shareholders' equity ratio (%) .....	<b>82.8</b>	82.1	84.1	83.3	82.9
ROE (%) .....	<b>7.76</b>	6.84	12.10	7.73	9.31
Price earnings ratio (PER) (times).....	<b>17.80</b>	29.29	24.11	43.19	30.93
Number of employees .....	<b>4,510</b>	4,563	4,659	4,678	4,733

## A Message from the Management



*Shoji Uehara, Chairman of the Board (right)  
Akira Uehara, President (left)*

### **Fiscal 2002 Performance**

In fiscal 2002, ended March 31, 2002, Japan saw a continued deflationary trend as well as global climate changes that,

combined with the effects of the September 11, 2001, terrorist attacks in the United States, exerted further downward pressure on the domestic economy, resulting in a bleak fiscal landscape. Moreover, the implementation of policies to curb medical costs contributed to the increasingly difficult operating environment for the pharmaceutical industry, and overall sluggishness in overseas economies, including

the United States, Europe, and Asia—excluding China—further aggravated business conditions.

Facing these adverse conditions, Taisho Pharmaceutical Co., Ltd., redoubled its efforts to expand operations, for example, introducing new products and entering new markets. Thanks to these efforts, consolidated net sales dipped only 1.1%, to ¥271.4 billion. By group, sales by our core business, the Self-Medication Operation Group, totaled ¥192.4 billion, down 3.3% from the previous fiscal year, while sales by the Prescription Pharmaceutical Operation Group rose 4.6%, to ¥79.0 billion.

The Self-Medication Operation Group, which consists of over-the-counter (OTC) pharmaceutical and health care-related product operations, recorded a 0.4% edging down in sales of the Lipovitan series—our mainstay line of tonics and nutrient drinks, thus sales remained virtually the same as in the previous fiscal year. Although the series exhibited firm sales growth through such new channels as convenience stores and supermarkets, this was offset by lower turnover in pharmacies, its traditional marketing channel. Sales of two of our high-end products—the Zena series of tonics and nutrient drinks and RiUP, a hair-growth drug for male-pattern baldness—as well as gastrointestinal treatments declined. In contrast, new products in the Pabron series of cold remedies and the Dermalin series of athlete’s foot treatments drove sales growth for both product lines. Cholescare, a beverage containing a cholesterol-absorbing and controlling agent that was categorized under “Foods for Specified Health Use” by the Ministry of Health, Labour and Welfare, made a promising start following its launch in March 2002.

In the Prescription Pharmaceutical Operation Group, solid growth was recorded by the mainstay product Clarith, a macrolide antibiotic agent, and the nonsteroidal anti-inflammatory drug Lorcam, which was launched in February 2001. Although the streamlining of inventories of Biopex, an orthopedic filling paste, resulted in a considerable decrease in sales, compounded by weakened sales of peripheral vasodilator Palux, overall Group sales exceeded those of the previous fiscal year. Additionally, an out-licensing contract with Merck & Co., Inc., for compounds with potential for treating schizophrenia contributed to an increase in income from industrial property rights.

Sales of tonics and nutrient drinks in such overseas markets as Malaysia, the Philippines, and China were healthy.

Consolidated net income surged 19.5%, to ¥37.4 billion, in the fiscal year under review. This climb—despite the aforementioned decrease in revenues as well as an increase in overhead costs, including sales promotion costs and retirement benefit expenses—was attributable to the posting in the previous fiscal year of a ¥17.4 billion transition obligation stemming from changes in accounting standards for retirement benefits that was recorded as an extraordinary loss.

### **Medium- and Long-Term Strategies**

We continue to carry out vigorous R&D investment to facilitate the expansion of the Self-Medication Operation Group, which constitutes the core of Taisho’s business, and to generate significant growth in the Company’s second pillar of operations, the Prescription Pharmaceutical Operation

Group. Moreover, we plan to pursue overseas expansion by capitalizing on the strengths of our Self-Medication Operation Group.

With the rapid graying of the Japanese population, health care financing has become tight, and curbing health care costs has become an issue of national concern, indicating that the self-medication market, which enables consumers to manage their own health, is poised for growth. Recognizing these circumstances as a business opportunity, we are striving to enhance the product lineup of our Self-Medication Operation Group, a move that will promote health maintenance among consumers, prevent as well as facilitate the early detection and early treatment of illness, and enable the satisfactory treatment of less serious illnesses by individuals. To this end, we will draw on the research results and know-how gleaned from our experience in pharmaceuticals to focus on developing useful and safe products, particularly switch-to-OTC products and those designated “Foods for Specified Health Use”. Furthermore, to enhance people’s trust in our products, we are working to nurture and strengthen our brands and are making a dedicated effort to capitalize on the opportunities yielded by the deregulation and simultaneous classification of Lipovitan D and other tonics and nutrient drinks as quasi-drugs three years ago, developments that allowed them to be sold in retail stores and thus attract new customers.

In conjunction with activities that are centered on our products, we work with representatives in the medical community, the Ministry of Health, Labour and Welfare, and NPOs to ensure that consumers are provided with accurate and sufficient information for safe and effective self-medication. As part of this

effort, we are take vigorous action to disseminate information.

In the Prescription Pharmaceutical Operation Group, we continue to conduct R&D in four critical therapeutic areas—cerebral circulation and dementia, central nervous system, immunology and allergy, and diabetes—with the aim of creating original new drugs that have worldwide market potential. As global competition becomes increasingly heated, we are concentrating our energies on raising both speed and success rates in new drug development through such measures as creating partnerships with a wide range of companies. Another measure designed to raise our competitiveness was the August 2001 establishment of the U.S. subsidiary Taisho Pharmaceutical R&D Inc. in New Jersey, for which we are working to create a marketing structure and commence full-fledged operations in the near future. Moreover, in addition to these R&D activities, we are working to create a sales structure that reflects the systems and customs employed in the domestic distribution of prescription pharmaceuticals with the aim of improving sales efficiency.

Furthermore, we have set our sights on the top positions in tonics and nutrient drinks in overseas OTC markets and are investing resources in building a business foundation that will enable us to both achieve this objective and set the stage for the further expansion of our OTC product business.

### **Toward a More Customer-Oriented and Competitive Organization**

Taisho’s mission is to create and offer superior pharmaceuticals and health-related products as well as health care-related information and services that

contribute to the enrichment of lives by improving people's health. To fulfill our mission, we are making persistent efforts to strengthen our management bases to ensure that we will continue to exhibit steady growth and expansion amid intense global competition. To this end, in July 2001 we established the Compliance Management Section to meet the increasingly high societal expectations for businesses by reinforcing a management structure that will evolve with society.

Furthermore, to quickly respond to the changes in the operating environment for our Self-Medication Operation Group, we overhauled our business organization in October 2001 and reviewed our marketing organization in April 2002. Also, in the Prescription Pharmaceutical Operation Group, having established Taisho Pharmaceutical R&D in the United States in August 2001, we integrated and restructured our domestic Prescription Pharmaceutical Development Division in April 2002.

In addition, since fiscal 2001, recognizing the reconstruction of our mission-critical systems to be an issue of great importance, we have been carrying out a reassessment of operations Companywide and the renovation of our information system, operations of which are scheduled to commence in fiscal 2003.

### **Dividend Policy and Future Outlook**

Taisho is committed to a policy of paying stable dividends of a high standard over the long term while maintaining sufficient internal reserves to strengthen its corporate structure by allocating funds for R&D investment, capital investment, and investment in the development of new business.

As part of our policy of sharing profits with our shareholders, we performed a buyback of 1,382,000 shares of common stock worth approximately ¥2.9 billion. In the period under review, we paid regular dividends of ¥25 per share, and plan to pay an additional ¥5 per share in fiscal 2003 to commemorate our 90th anniversary.

We anticipate that our performance in fiscal 2003 will be approximately the same as in the year under review despite such negative factors as continuing economic stagnation, considerable reductions in Japan's National Health Insurance (NHI) drug prices, and a write-off of expanded tonic and nutrient drink production lines at our Okayama Factory. Net sales are forecast to increase 0.8%, to ¥273.5 billion, and net income is forecast to total ¥37.3 billion, down 0.2%.

The current year, 2002, marks the 90th year since Taisho's inception, and we at Taisho view this year as the first step in reforming the Company into one aiming for further growth. By pursuing the aforementioned measures, we will demonstrate our dedication to maximizing our corporate value as well as shareholder value.



Shoji Uehara, Chairman of the Board



Akira Uehara, President

## Research and Development

### Taisho's Management Strategy and R&D Policy



While Taisho's top priority lies in the Self-Medication Operation Group, which centers on OTC drugs, the Company also focuses its energies on prescription pharmaceutical R&D with an eye to the further expansion of the second pillar of its business, the Prescription Pharmaceutical Operation Group. In addition, our medium-to-long-term business strategy includes exploiting the strengths of the Self-Medication Operation Group to realize overseas expansion.

We have been investing heavily in the area of new drug development, particularly in the Prescription Pharmaceutical Operation Group, as a means of enabling the continuous development and launch of OTC and prescription drugs that will significantly raise our corporate value. In fiscal 2002, R&D expenses totaled ¥32.2 billion, while the ratio of R&D expenses to net sales was 11.9%.



## Registration and Advanced Development of Prescription Pharmaceutical Drugs (As of July 17, 2002)

Stage	Code Name	Brand Name (Generic Name)	Category (NDA Registration)	Development
Phase II	NE-100	—	Antischizophrenic Agent	Developed in-house
	ABT-773	—	Infectious Diseases	Codeveloped with Abbott Laboratories
	INS-1	—	Type II Diabetes and Polycystic Ovarian Syndrome (PCOS)	Codeveloped with Insmed Incorporated
	NBI-6024	—	Type I Diabetes	Codeveloped with Neurocrine Biosciences, Inc.
	EPI-2010	—	Asthma	Codeveloped with EpiGenesis Pharmaceuticals, Inc.
Phase I	ST-152	—	Asthma	Codeveloped with IDEC Pharmaceuticals Corporation and Seikagaku Corp.

## Tie-ups with Biotechnology Companies (As of July 2002)

Company	Licensed Technologies	Field of Research	Taisho's Rights, Activities, and Future Plans
Seikagaku Corp. (IDEC)	ST-152; Anti-CD23 Monoclonal Antibodies	Allergies (Asthma, Atopic Dermatitis)	Sales rights for Europe and Asia
			Phase I clinical trials begun in the United States
Vertex Pharmaceuticals Inc.	Caspase Inhibitors	Cerebrovascular and Cardiovascular Diseases	Sales rights for Asia, Preclinical
Quark Biotech Inc.	Gene Discovery Research Relating to Kidney Diseases	Diabetic Kidney Diseases	Worldwide sales rights
EpiGenesis Pharmaceuticals, Inc.	EP1-2010; Adenosine A1 Receptor Antisense	Asthma	Sales rights for Asia Joint development rights for Europe and the United States Phase I in the United States and Phase II in Europe
Insmed Incorporated	INS-1; D-chiro-inositol	Type II Diabetes and PCOS	Sales rights for Asia
			Phase II in the United States
Arena Pharmaceuticals, Inc.	Constitutively Activated Receptor Technology (CART) Used in Genetic Technologies	G-protein Coupled Receptors (GPCRs)	Worldwide sales rights
Neurocrine Biosciences, Inc.	NBI-6024; APL (Altered Peptide Ligand)	Type I Diabetes	Worldwide sales rights Phase I in the United States and Phase II in Europe
Pherin Pharmaceuticals, Ltd.	Vomeropherins	CNS, Diabetes	Option right to enter a Licensing Agreement In case of entering the license agreement Asia: exclusive Europe and the United States: semi-exclusive

# R&D of Prescription Pharmaceuticals

## R&D Strategy

In the field of prescription pharmaceuticals, we are focusing on four key areas: cerebral circulation and dementia, central nervous system, immunology and allergy, and diabetes. To develop and bring to market innovative new drugs that will compete with the world's leading pharmaceutical manufacturers, Taisho pursues R&D alliances with both domestic and foreign pharmaceutical companies and research institutes. The Company is working toward the goal of positioning itself at the forefront of the pharmaceutical industry by improving marketing lead times as well as development quality (success rates) and speed in the launch of new drugs.

With the aim of having three original substances enter the development stage every year and thus ensure the continuous launch of new drugs, we encourage internal research proposals, are constructing a system for collecting information from research institutes from around the world

and, in addition to taking biology and chemistry-oriented approaches, are working to enhance our foundations in genome-based drug discovery.

We employ various new technologies in new drug discovery, including combinatorial chemistry, which combines compounds effectively, high throughput screening (HTS), which vastly raises efficiency in the discovery of useful drugs, and bioinformatics, which employs computers to carry out genome sequencing. Moreover, we team up with other companies to extensively introduce their products with an eye to maintaining and improving our development pipeline.

The rigorous evaluation of development projects will enable us to improve our development success rate as will the continual reassessment and reorganization of testing items, clinical trials based on statistical theory and scientific data, and product concepts that are devised at the drug discovery stage.



We have made a 13-year span our target for the period from drug discovery to approval, and, in order to achieve this goal, we are taking concrete action in such areas as shortening the time from drug discovery to the selection of clinical candidates and establishing a global development framework.

Specifically, we are working toward the full-fledged operations of Taisho Pharmaceutical R&D, a U.S.-based subsidiary established in August 2001, as a means of enhancing the Group's global development network. In April 2002, we implemented the structural reform of our development management structure, establishing the Medical Development Division through the merger of the Clinical Research Division and the Development Management Division, thereby encouraging adherence to development schedules.

In addition, in striving to adhere to global standards, as one of our medium-to-long-term measures in our overseas operations, we are committed to a policy of selecting the optimum strategy for each development proposal, whether it be independent development or co-development,

domestic or overseas development, or in-licensing or out-licensing.

### **Development Pipeline**

Following its approval for use in conjunction with lansoprazole and amoxicillin in September 2000, in April 2002 Clarith (clarithromycin) was approved by the NHI system for use in the eradication of *Helicobacter pylori* in conjunction with omeprazole and amoxiciline. In a tie-up with Abbott Laboratories, Taisho is conducting clinical development of the ketolide antibiotic ABT-773 in Japan.



## R&D of OTC Drugs



### Development Strategy

Taisho's OTC drug R&D is conducted primarily at the Company's Self-Medication Research and Development Center. With the goal of bolstering our product development capabilities, we are endeavoring to develop new manufacturing technologies, make extensive use of existing technologies, and expand product benefits by, for example, expanding indications to include rejuvenation and advancing thorough cost reductions through outsourcing manufacturing to high-quality contractors.

As society's awareness of self-medication grows, the field is forecast to expand. We will enhance our product lineup through the continual launch of OTC drugs, including switch-to-OTC drugs (drugs whose classification has shifted from prescription to OTC) and direct-to-OTC drugs (drugs that receive immediate OTC approval)—the hair-growth drug for male-pattern baldness RiUP, for example—or through the improvement of existing

brands by introducing new active ingredients. Furthermore, aiming to develop and market products for such new areas of the OTC market as lifestyle-related disease drugs and lifestyle-enhancing drugs, we are working to acquire new benefits for our drugs while expanding our product line in the field of "Foods for Specified Health Use".

In the development of OTC drugs, it is imperative that we work to develop products that our customers need. We will create customer-oriented products with scientifically proven benefits based on the assessment of customer needs from both physiological and pathological standpoints and provide relevant information that is easy-to-understand and responsive to customer needs.

### Development Pipeline

We are expanding the RiUP series by widening the scope of application to include female-pattern baldness, and are currently making preparations for obtaining approval.

# Principal Contracts

(As of June 2002)

## Out-Licensing

Licensor	Country	Product	Drug Classification	Year of Contract
Galderma Laboratorium GmbH	Germany	Hydrocortisone Butyrate Propionate	Topical Corticosteroid	1984
Laboratorios Dr. Esteve, S.A.	Spain			1984
Altana Inc.	U.S.A.			1987
Abbott Laboratories	U.S.A.	Clarithromycin	Macrolide Antibiotic Agent	1985
Welfide Korea Co., Ltd.	Korea	Lipo PGE <sub>1</sub>	Peripheral Vasodilator	1998
Janssen Pharmaceutica N.V.	Belgium	CRF Receptor Antagonist	Antidepressant/Antianxiety Agent	2000
Merck & Co., Inc.	U.S.A.	mGluR Agonists	Antischizophrenic Agents	2002

## In-Licensing

Licensor	Country	Product	Drug Classification	Year of Contract
Nycomed Austria GmbH	Austria	Midodrine	Antihypertensive Agent	1982
Pharmacia Corporation	U.S.A.	Minoxidil	Baldness Treatment	1985
Heyl Chemisch-Pharmazeutische Fabrik GmbH & Co. KG	Germany	D-Penicillamine	Antirheumatic Agent	1986
Nycomed Austria GmbH	Austria	Lornoxicam	NSAID	1988
Eli Lilly and Company	U.S.A.	—	Combinatorial Chemistry	1996

## Joint Ventures

Joint Venture (Location)	Partner	Country	Year of Establishment
Sanofi-Synthelabo-Taisho Pharmaceuticals Co., Ltd. (Japan)	Sanofi-Synthelabo S.A.	France	1983
Taisho Pharmaceutical (Taiwan) Co., Ltd. (Taiwan)	Lee Ron Soon	Taiwan	1984
Taisho M.T.C. Co., Ltd. (Japan)	Mitsui Chemicals, Inc.	Japan	1993
Osotspa Taisho Co., Ltd. (Thailand)	Osotspa Co., Ltd.	Thailand	1996
Taisho Co., Ltd. Shanghai (China)	Guan Sheng Yuan Group Co., Ltd.	China	1997

## Joint Research and Development

Partner	Country	Research Area	Year of Contract
Sumitomo Pharmaceuticals Co., Ltd.	Japan	Active vitamin D <sub>3</sub> derivative	1984
Suntory Limited	Japan	Ca/Na dual channel blocker (acute-phase cerebral Zutarction)	2000
Yamanouchi Pharmaceutical Co., Ltd.	Japan	Discovery of new development candidates	2001
Institute of Materia Medica, Chinese Academy of Medical Sciences	China	New drugs originated from natural materials	1999
Sichuan Industrial Institute of Antibiotics of the State Pharmaceutical Administration of China	China	New drugs originated from microorganisms	2000
Abbott Laboratories	U.S.A.	Collaboration on antibacterial macrolides	1997
Quark Biotec Inc.	U.S.A.	Therapeutic drugs for treatment of diabetic kidney disease	1999
Insmmed Incorporated	U.S.A.	Therapeutic drugs for type II diabetes, polycystic ovarian syndrome	2000

## Global Presence



Tonic and Nutrient Drinks  
(Overseas Products)

Taisho prides itself on the manufacture of OTC products that are among the best in the world and is committed to a policy of providing a wide range of products to consumers the world over. Our tonics and nutrient drinks, in particular, have taken root in Southeast Asian nations much in the same way as they have in Japan and are enjoyed regularly by a number of people. Our products are sold in these countries as well as the United States, Europe, and other overseas locations by 14 overseas subsidiaries.

To raise the Self-Medication Operation Group's mainstay brand, Lipovitan D, to the top

position in markets around the world, we are working to raise production efficiency and construct a marketing system. China is an area of particular focus, and we have established bases in Shanghai, Beijing, and Hong Kong through which we pursue sales promotion activities to tap into this expanding market of over 1.2 billion people. In addition to Lipovitan (marketed locally as Libaojian), which is already on the market, in February 2002 we launched Lipovitan Alfe (Libaojian Yirenzhuang), a nutrient drink for women. China is the second overseas market in which this product has been launched, after the Philippines. The principal target of our sales promotion activities in China is women, a group that has made great social advances in tandem with the country's rapid economic growth. To date, we have expanded our overseas marketing of tonics and nutrient drinks to encompass 18 countries by conducting R&D aimed at creating Lipovitan products for worldwide distribution that are tailored to local climatic conditions and consumer preferences.

To generate further growth in overseas OTC markets,

## Overseas Network



we actively work to globalize our OTC drugs. Since 1999, Taisho's president, Akira Uehara, has served as the chairman of the World Self-Medication Industry, an NGO encompassing health-care professionals from 54 countries that seeks to contribute to the realization of responsible self-medication throughout the world. Concerns about the rising cost of health care in developed countries have increased, sparking measures to restore health care financing and heightening awareness of self-medication and the necessity of managing one's own health across the globe. Thus, we anticipate greater demand for OTC pharmaceuticals as well as the further globalization of the industry.

In the field of prescription pharmaceuticals, we are enhancing our in-house research functions, steadily bolstering our R&D capabilities, and continuing to vigorously pursue joint research and tie-ups with both overseas and domestic biotechnology companies. In August 2001, we established the subsidiary Taisho Pharmaceutical R&D in New Jersey, which will commence operations with the development of a drug for acute cerebral infarction.



PT. Taisho Indonesia,  
Cipanas Factory



Taisho Pharmaceutical (Taiwan) Co., Ltd.,  
Head Office and Factory (Hsinchu)



Taisho Pharmaceutical (M) SDN: BHD.,  
Head Office and Factory (Bangi)



Taisho Vietnam Co., Ltd.,  
Factory

# Taisho and the Environment

## Environmental Charter

Environmental preservation is an important issue underlying corporate activities at Taisho and, as a pharmaceutical manufacturer that is continually concerned with ensuring a healthy future for society, we maintain a constant awareness of this issue in all corporate activities. Based on our management philosophy, we have devised a Basic Environmental Policy that outlines our basic standpoint on environmental activities as well as Environmental Action Guidelines that provide direction for implementing the policy.

Specifically, we have set numerical targets for energy saving, resource saving, and waste reduction while pinpointing and

proposing solutions to various problems occurring in corporate activities ranging from product design to distribution.

## Basic Environmental Policy and Environmental Action Guidelines

### ● Basic Environmental Policy

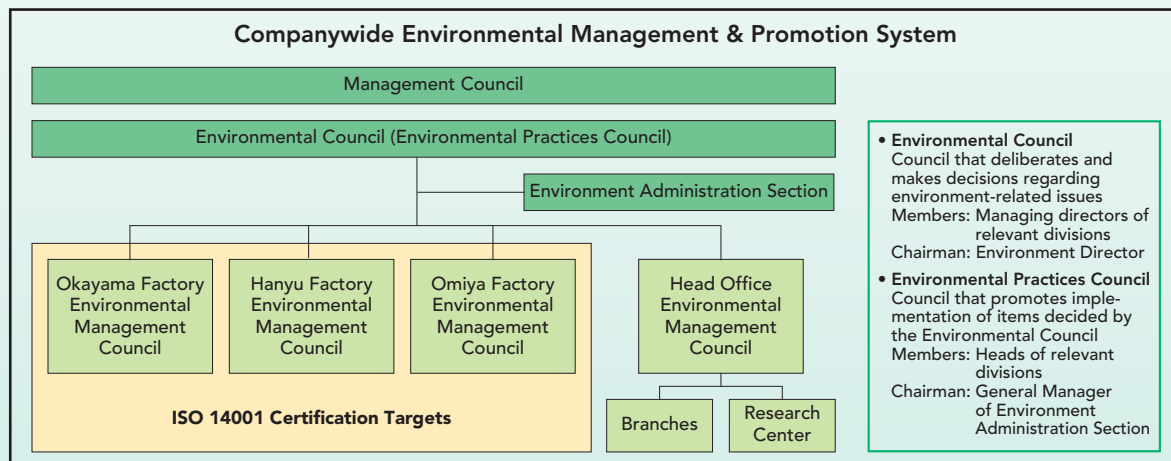
Taisho makes environmental preservation its top priority in all business activities related to the development, manufacture, distribution, consumption, and disposal of a product, endeavoring to pass a green environment on to the next generation.

### ● Environmental Action Guidelines

1. We will take environmental issues into consideration when engaging in product

development, manufacture, sales, and distribution.

2. We will adhere to all environment-related laws and regulations and establish voluntary management standards to protect and improve the environment.
3. We will promote energy and resource saving.
4. We will reduce waste and promote reuse and recycling.
5. We will manage our business based on our environmental management system.
6. We will wholeheartedly participate in environmental preservation activities in local communities as part of efforts toward fulfilling our role as a member of the local community.

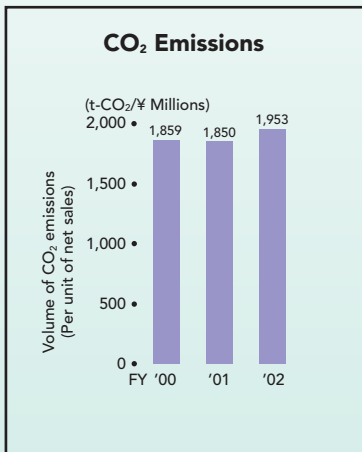
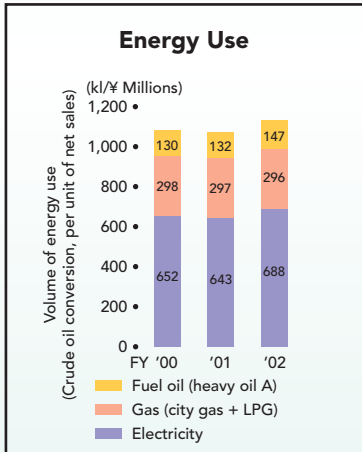




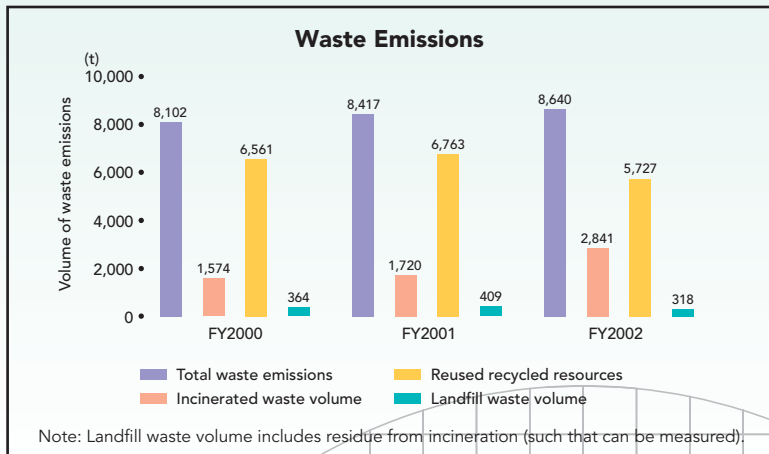
## Environmental Management System

The Environmental Council, headed by the Environment Director, is the highest governing body for environment-related activities and consists of managing directors of all relevant divisions.

## Climate Change



## Resource Conservation and Recycling



## Environmentally Conscious Products



# Self-Medication Operation Group



While the level of Japan's medical standards is such that the Japanese enjoy one of the longest life expectancies in the world, the incidence of such chronic diseases as so-called "lifestyle diseases" that require long-term treatment has been rapidly rising. Furthermore, the tight conditions in health care financing caused by such factors as the graying of the Japanese population have prompted an upsurge in efforts to promote self care and the prevention of illness to curb health care costs as well as the growing popularity of the concept of self-medication, whereby people manage their own

health and treat less serious illnesses with OTC medicines that they obtain themselves. In response to this shift, Taisho has engaged in the development of a wide range of OTC products that treat a variety of illnesses and satisfy diverse needs, lifestyle-improvement drugs that enhance people's quality of life, and drugs that respond to the diversification of sales channels that has resulted from deregulation.

In our quest to develop safe and effective as well as easy-to-take medicines, we are committed to our corporate policy of meeting a wide variety of customer needs. Our product history includes long-selling brands that occupy the top shares in several different categories in the domestic OTC drug market, including the combination cold remedy Pabron, which has been on the market for approximately 70 years, and the Lipovitan series of tonics and nutrient drinks, Naron painkillers, and Iris eye-drops, all of which have been on the market for approximately 40 years.

In the period under review, total sales by the Self-Medication Operation Group slipped 3.3%, to ¥192.4 billion, which constituted 71% of consolidated net sales.

### Tonics and Nutrient Drinks

Three years have passed since convenience stores began putting Lipovitan D on their shelves along with deregulation in 1999. That development prompted a sharp increase in the number of new customers for the drink and, viewing the three years since as an opportunity to nurture the brand with an eye to longevity, we have worked to expand consumer access points for the drink, which include vending machines. Despite these efforts and the addition of Lipovitan D II and Lipovitan 11 to the Lipovitan D series lineup, sales dipped 0.4%, remaining at approximately the same level as the previous fiscal year. This was attributable to the increase in sales through new channels, including convenience stores and supermarkets, being offset by a fall in sales through pharmacies, the series' traditional sales channel. Looking at our high-end products, the Zena series recorded weak sales, dropping 21.8%. However, overseas sales of tonics and nutrient drinks in such Asian markets as Malaysia, the Philippines, and China were favorable.



Cold Remedies



Gastrointestinal Treatments



Painkillers



Tonic and Nutrient Drinks



Cholescare



Athlete's Foot Treatments



Eye Care Products



Hair Care Products

### Pabron Series

In February 2002, we launched the combination cold remedy Pabron Ace Tablet, a new product that incorporates three substances used in prescription pharmaceuticals—ibuprofen, bromhexine hydrochloride, and lysozyme chloride—and targets the four bothersome cold symptoms of sore throat, cough, fever, and runny nose. This is the first OTC cold remedy that contains all three substances, and its increased effectiveness has made it our principal product in the area of cold remedies. Furthermore, all the products in the series have been clearly labeled to indicate their effectiveness in treating the aforementioned symptoms in line with our policy of actively providing customers with detailed product information. Total sales of the series increased 2.0%.

### Others

In our Dermarin lineup of athlete's foot treatments, which lead the

market, we introduced Dermarin L High and Dermarin L Liquid Hi in February 2002. These products incorporate four new kinds of active ingredients, including a sterilizing agent, in combination with miconazole nitrate, a superior imidazole-type antifungal agent that requires only one application per day. We have further bolstered the series by introducing the athlete's foot treatments in different forms, including sprays and new formulations to meet customer needs. The launch of these new products has further enhanced the Dermarin series.

RiUP, a hair-growth drug for male-pattern baldness that went on sale in June 1999, exhibited explosive growth at the time of its introduction, creating a substantial new market. However, sales of the RiUP series fell 21.8% during the period under review. Sales of gastrointestinal medicines were also weak, slipping 1.8%.

In March 2002, Taisho introduced Cholescare, a drink that has been categorized among "Foods for Specified Health Use" and contains depolymerized sodium alginate, which reduces serum cholesterol levels.

Foods for Specified Health Use bear the mark of the world's first certification system for food products with scientifically demonstrated health applications and effects. The designation was created in 1991 by Japan's Ministry of Health and Welfare (now Ministry of Health, Labour and Welfare) in response to growing health consciousness on the part of consumers.

In addition to curative medicines, Taisho has been dealing with preventive medicines as well as lifestyle-enhancing products and quasi-drugs. Our entry into the field of "Foods for Specified Health Use" with Cholescare represents our commitment to customer satisfaction.

# Prescription Pharmaceutical Operation Group



for use in treating schizophrenia, and royalties from an out-licensing agreement for clarithromycin with Abbott Laboratories.

## Clarith, Lorcam, and Palux

Clarith, the Prescription Pharmaceutical Operation Group's mainstay product, is the world's leading macrolide antibiotic agent, is sold in approximately 90 countries, and has netted record-breaking annual sales of more than US\$1.0 billion. Under the NHI system, the drug's applications have been expanded to include the treatment of tympanitis, MAC (*Mycobacterium Avium* Complex) infections, and the eradication of *Helicobacter pylori* when used in a cocktail therapy with two other drugs. Sales of Clarith remained solid in the fiscal year under review, rising 11.3%.

The nonsteroidal anti-inflammatory drug (NSAID) Lorcam, launched in February 2001, employs the Company's proprietary quick-release technology—which improves drug effectiveness by enabling the rapid increase of the active substance's concentration in the blood—and has a favorable reputation as an excellent painkiller and anti-inflammatory, posting solid growth. Net sales of the

Taisho's position at the top of the domestic OTC drug market and its number two place in the global OTC market are a source of great pride for the Company. In the even larger market for prescription pharmaceuticals, we draw on the customer-oriented development capabilities that we have cultivated in the self-medication market to substantially strengthen our R&D capabilities in accordance with our global development framework. In addition, we are strategically expanding our product lineup with such measures as the formation of alliances with and

the introduction of technologies from other companies in our quest to accelerate the development and marketing of superior prescription pharmaceuticals.

In the fiscal year under review, sales by the Prescription Pharmaceutical Operation Group rose 4.6%, to approximately ¥79.0 billion, accounting for 29% of consolidated net sales. This was partially attributable to an 8.8% increase, to ¥78.9 billion, in royalty income from industrial properties, including an up-front fee from an out-licensing agreement with Merck & Co. for a substance with potential



Clarith

peripheral vasodilator Palux fell 9.2% in the fiscal year under review.

#### **Other Prescription Pharmaceuticals**

As it is likely that the experimentation, testing, and procedures for filing for approval entailed in the development of prescription pharmaceuticals will soon be subject to uniform international standards, we have set the objective of meeting global standards in the quality and speed of our research. To this end, we aim to strengthen our global development network and promote R&D to enable the launch of highly original new drugs with global market potential in various fields.

Our efforts to enhance our drug discovery foundations have been steadily bearing fruit, and these results have attracted the attention of U.S. and European pharmaceutical companies. In December 2000, we signed an agreement with Belgium-based Janssen Pharmaceutica to conduct joint R&D on our CRF (corticotropin-releasing factor) receptor antagonist with the potential for use as an antidepressant and anti-anxiety agent. As mentioned previously, in May 2002, we completed a licensing agreement with Merck & Co. for our metabotropic glutamate receptor (mGluR) agonists, new drugs with

potential for use in the treatment of schizophrenia.

Other original substances in the R&D stage include the arachidonic acid metabolic enzyme inhibitor TS-011 for the treatment of acute cerebral infarction, which is about to enter clinical trials, ideally at the beginning of fiscal 2003, in the United States. In the United Kingdom, Phase I clinical trials are scheduled to begin for TS-002, a drug for the treatment of sleep disorders. In trials involving monkeys, TS-002 was shown to differ from existing sleep-inducing drugs in that it induces sleep that closely resembles natural sleep. In addition, drugs for high blood pressure, diabetes, and acute cerebral infarction are expected to enter our R&D pipeline in the near future.

In August 2001, we established the subsidiary Taisho Pharmaceutical R&D in New Jersey. The company will commence clinical development of a drug for the treatment of acute cerebral infarction in 2003.

In Japan, we are co-developing ABT-773, a new ketolide antibiotic, as a follow-up drug to Clarith.

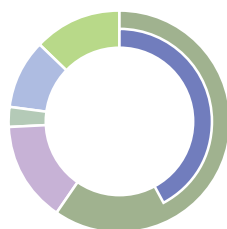
In August 2002, Taisho and Japan-based Toyama Chemical Co., Ltd., agreed on a capital alliance and a strategic collaboration in R&D as well as sales and

marketing related to the prescription pharmaceutical business.

As a matter of course, Taisho's independent R&D efforts aim for the quick development of superior prescription pharmaceuticals, and, by aggressively pursuing partnerships with companies and research institutes both in Japan and abroad, the Company will pursue research that spans a wide spectrum. Furthermore, we strive to respond promptly to changes in distribution systems and practices and raise sales efficiency while contributing to pharmaceutical technology and people's quality of life.

## Product Highlights

### Top-Selling Self-Medication Products Year ended March 31, 2002



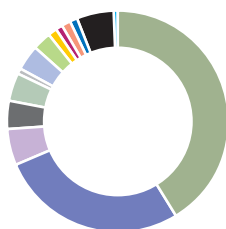
	¥ Billions	%*
Tonic and Nutrient Drinks .....	¥109.3	59.6%
Lipovitan D.....	77.2	42.1
Cold Remedies .....	26.7	14.6
Gastrointestinal Treatments.....	5.4	2.9
RiUP, etc. ....	18.5	10.1
Others .....	23.4	12.8

\*Percentage of sales of self-medication products

### Main Products

Type	Field	Trade Name	
Internal Medications	Tonic and Nutrient Drinks	Lipovitan D/Lipovitan Gold Zena F-I/F-II/King Alfe Mini	
	Cold Remedies	Pabron Ace/Pabron S Gold Pabron N/Pabron Rhinitis Capsule L	
	Gastrointestinal Treatments	Taisho Kanpo Ichoyaku Avalon Z Colac	
	Painkillers	Naron Ace	
	Motion Sickness Remedies	Semper QT/Semper/Semper Oral Solution	
Topical Medications	Hair Care Products	RiUP Pre-RiUP	
	Eye Care Products	Iris Neo Iris CL-1 Neo	
	Athlete's Foot Treatments	Dermarin L High/Dermarin L Liquid Hi Dermarin Ice Spray	
	Hemorrhoid Treatments	Preser Ace/Preser Ace Ointment Preser Clean Ace	
	Analgesics and Anti-inflammatories		Menfula Hap <IM> Menfula Ice <80>/Menfula Ice Spray

### Top-Selling Prescription Pharmaceutical Products Year ended March 31, 2002



	¥ Billions	%*
Clarith (Macrolide Antibiotic Agent).....	¥25.9	41.2%
Palux (Peripheral Vasodilator).....	17.2	27.4
Solon (Antiulcer Agent) .....	3.3	5.3
Ancaron (Antiarrhythmic Agent).....	2.6	4.1
Metligine (Antihypotensive Agent).....	2.6	4.1
Biopex (Orthopedic Filling Paste) .....	0.5	0.8
Limas (Antimanic Agent) .....	2.3	3.7
Rinolaxer (Muscle Relaxant).....	1.7	2.7
Hikamilon (Intra-articular Injection).....	0.8	1.3
Alvo (Nonsteroidal Anti-inflammatory Drug (NSAID)) .....	0.6	1.0
Pandel (Topical Corticosteroid) .....	0.8	1.3
Metalcaptase (Antirheumatic Agent).....	0.7	1.1
Lorcam (NSAID) .....	3.4	5.4
Others .....	0.4	0.6

\*Percentage of sales of prescription pharmaceutical products

### Main Products

Field	Trade Name	Drug Classification	Launch Date	NHI* Price
Pain Control	Opyrin	NSAID	Aug. '67	¥58.80/day
	Rinolaxer	Muscle Relaxant	Apr. '79	¥67.20/day
	Alvo	NSAID	Dec. '85	¥74.80/day
	Lorcam	NSAID	Feb. '01	¥89.70/day
Dermatology	Oxoralen	Topical Remedy for Vitiligo	Mar. '60	¥76.20/day
	Cortes	Topical Corticosteroid	Jun. '78	¥20.90/g
	Pandel	Topical Corticosteroid	Feb. '83	¥40.30/g mL
Central Nervous System	Limas	Antimanic Agent	Feb. '80	¥106.80/day
Gastrointestinal Tract	Solon	Antiulcer Agent	Mar. '84	¥56.40/day
Cardiovascular	Palux	Peripheral Vasodilator	Oct. '88	¥7,475.00/2mL
	Metligine	Antihypotensive Agent	Jun. '89	¥116.00/day
	Ancaron	Antiarrhythmic Agent	Oct. '92	¥1,039.40/day
Immunology	Metalcaptase	Antirheumatic Agent	Jun. '78	¥773.00/day
Antibiotic	Clarith	Macrolide Antibiotic Agent	Jun. '91	¥255.20/day ¥83.90/50mg (Pediatrics)
Others	Taurine Powder	Drug to Prevent Heart Failure and Improve Liver Function	Dec. '87	¥34.50/day
	Hikamilon	Intra-articular Injection of Sodium Hyaluronate	Jul. '95	¥1,623.00/syringe
	Homel	Active Vitamin D <sub>3</sub>	Aug. '01	¥611.40/day

\* National Health Insurance (Japan)

## Financial Review

### OVERVIEW

In fiscal 2002, ended March 31, 2002, amid continuing deflation, the unusual summer weather and the September 11 terrorist attacks in the United States combined to further intensify ongoing difficult circumstances in the domestic economy. Particularly, in the pharmaceutical industry, such negative factors as the enforcement of measures to lower healthcare costs contributed to a harsh business environment. Looking overseas, the United States, Europe, and Asia—excluding China—witnessed widespread economic stagnation.

Faced with such challenging circumstances, Taisho Pharmaceutical Co., Ltd. (the “Company”), and its consolidated subsidiaries (collectively, the “Group”) engaged in vigorous marketing activities, launching new products and making forays into new markets; however, these activities could not prevent a 1.1% dip in consolidated net sales, to ¥271.4 billion.

Although the Group experienced a drop in net sales and a rise in selling, general and administrative (SG&A) expenses, leading to a more than 8% decrease in operating income, due to the absence of the amortization of transition obligation related to new accounting standards for retirement benefits as recorded in the previous fiscal year, net income increased more than 19%. Also, owing to an increase in cash flow provided by operating activities, free cash flows rose in the fiscal year under review despite an increase in capital investment.

### PERFORMANCE

#### Net Sales

Net sales declined 1.1%, to ¥271.4 billion. The decrease was attributable to a decline in sales by the Self-Medication Operation Group. Sales by industrial segment are outlined below.

#### • SELF-MEDICATION OPERATION GROUP

In the Self-Medication Operation Group, sales dropped 3.3%, to ¥192.4 billion, while the ratio of sales in this group to overall net sales fell 1.6

percentage, to 70.9%. Although the new products Lipovitan D II and Lipovitan 11 contributed to sales, domestic sales of the total Lipovitan series of tonics and nutrient drinks remained relatively steady, dipping just 0.4%. This was attributable to the fact that sales growth in such new channels as convenience stores and supermarkets did not quite offset a decrease in sales through our traditional drugstore channels. Sales of gastrointestinal medicines slipped 1.8%, while lower sales of high-end products included a 21.8% drop in sales of the Zena series of nutrient drinks and a 21.8% decline in sales of the RiUp series of hair-growth products for male-pattern baldness. Sales of the Pabron series of cold remedies rose 2.0%, and sales of the Dermarin series of athlete’s foot treatments rose 13.9% due the introduction of new products in each series. Cholescare, a drink containing cholesterol-absorbing agents that has been designated a Food for Specified Health Use by the Ministry of Health, Labour and Welfare, showed a strong start following its March 2002 launch. Looking overseas, sales of tonic and nutrient drinks in Asia, especially Malaysia, the Philippines, and China, were healthy on the whole.

#### • PRESCRIPTION PHARMACEUTICAL OPERATION GROUP

Sales by the Prescription Pharmaceutical Operation Group totaled ¥79.0 billion, up 4.6% from the previous fiscal year. While the Group’s mainstay product Clarith recorded an 11.3% rise in sales and the non-steroidal anti-inflammatory drug Lorcam, introduced in February 2001, posted strong growth, sales of Biopex orthopedic filling paste, a third-party product, plunged 68.5% due to the streamlining of distribution inventories, and sales of peripheral vasodilator Palux declined 9.2%. Income from a licensing agreement with Merck & Co., Inc., regarding the licensing, development, and marketing of mGluR (metabotropic glutamate receptor) agonists was recorded as increased income from usage fees for industrial property rights and other items.

### **COST OF SALES, EXPENSES AND EARNINGS**

The cost of sales amounted to ¥70.8 billion, up 0.4% from the previous fiscal year, while gross profit fell 1.6%, to ¥200.6 billion, and the gross profit margin dipped 0.4 percentage, to 73.9%.

SG&A expenses rose 1.9%, to ¥139.9 billion, and, as a percentage of net sales, rose 1.5 percentage, to 51.5%. Increases in sales promotion expenses and retirement benefit expenses were primarily responsible for the rise. R&D expenses fell from the previous fiscal year to ¥32.2 billion and, as a percentage of net sales, decreased 0.3 percentage, to 11.9%. Consequently, operating income fell 8.8%, to ¥60.7 billion, while the operating income margin fell 1.9 percentage, to 22.4%.

There were no material changes in other income; however, other expenses fell ¥15.3 billion, to ¥2.8 billion, mainly due to the recording of an amortization of transition obligation of ¥17.4 billion in the previous fiscal year as the result of a change in accounting standards for retirement benefits that was absent from the statement of income in the period under review.

As a result of the preceding factors, income before income taxes and minority interests came to ¥66.4 billion, up ¥10.6 billion from the previous fiscal year.

Income taxes as a percentage of income before income taxes and minority interests fell slightly, from 44.1% in the previous fiscal year to 43.8%, approximately the same as the statutory effective tax rate. As a result, net income rose 19.5%, to ¥37.4 billion, and the net income margin rose 2.4 percentage, to 13.8%. ROE edged up 0.9 percentage, to 7.8%.

### **FINANCIAL POSITION**

Total assets rose 2.9%, or ¥16.4 billion, to ¥590.0 billion. Current assets totaled ¥251.8 billion, up ¥6.7 billion from the previous fiscal year-end. This rise was mainly attributable to a ¥3.2 billion increase in cash and cash equivalents, a ¥3.4 billion rise in

deferred income taxes, and a ¥17.1 billion increase in marketable securities, the latter of which was partially offset by a ¥16.9 billion decline in time deposits resulting from a fund distribution that was oriented toward hedging risks. Cash and cash equivalents are as outlined in the analysis of cash flows. The increase in deferred tax assets was primarily due to an increase in non-deductible items. An increase in a portion of non-current deferred tax assets was due to the same reason.

An ¥11.0 billion decrease in investment securities, to ¥197.3 billion, was due to lower values of the Company's investment securities that reflected the bearish tone of the stock market. Property, plant and equipment increased ¥10.7 billion, to ¥107.8 billion. Capital investment of ¥25.0 billion, a 60% increase from the previous fiscal year-end, was primarily responsible for the rise. Capital investment was focused in the Self-Medication Operation Group, and consisted mainly of the expansion of production facilities and the establishment of a distribution center as well as the construction of new premises that reflect the expanded functions of the Head Office. Capital investment as a percentage of cash flows provided by operating activities came to 56.0%.

On the other side of the balance sheet, total liabilities fell 2.5%, or ¥2.7 billion, to ¥102.7 billion. Current liabilities fell ¥4.1 billion, to ¥60.2 billion. Total short- and long-term interest-bearing liabilities dipped slightly, to ¥0.6 billion. The decrease in current liabilities was attributable primarily to a drop in accrued income taxes. An increase in accrued retirement benefits was the main factor contributing to the ¥1.4 billion rise in long-term liabilities, to ¥42.5 billion.

Shareholders' equity rose 4.1%, or ¥19.3 billion, to ¥486.9 billion. This rise was the result of an increase in retained earnings, which reflected improved net income, and was partially offset by a fall in net unrealized gains on securities.



As a result of the aforementioned factors, the current ratio climbed 37.2 percentage, to 418.6%. The debt-to-equity ratio fell 1.4 percentage, to 21.1%, while the equity ratio rose 1.0 percentage, to 82.5%. Thus, asset liquidity and the stability of capital structure were further improved.

#### **CASH FLOW ANALYSIS**

Cash flows from operating activities were the basic financial resources to meet funding demand for operations, capital investment, and the payment of dividends to shareholders. Cash and cash equivalents at year-end rose ¥3.2 million from the previous year-end, to ¥26.1 billion. The primary factors contributing to this increase were changes in cash flows as outlined below.

Net cash provided by operating activities rose ¥8.0 billion, to ¥44.7 billion. The rise was mainly attributable to 1) an increase in income before income taxes and minority interests and 2) a significant cumulative decrease in such cash outflows as notes and accounts receivable, inventories, and notes and accounts payable.

Net cash used in investing activities rose ¥2.5 billion, to ¥30.5 billion. This reflected an increase in capital investment, which comprised the acquisition of plant, property and equipment, including the establishment of the Omiya Distribution Center, the construction of a second building at the Head Office, and the expansion of tonic and nutrient drink production lines at the Okayama Factory as well as the acquisition of intangible assets accompanying the implementation of ERP.

Net cash used in financing activities fell ¥5.4 billion, to ¥11.5 billion. Primarily responsible for the decrease was a reduction in the acquisition of the Company's stock in the period under review. Dividend payments were approximately the same as in the previous fiscal year at ¥8.5 billion. Taisho strives to maintain stable and high dividends over the long term, and annual dividends applicable to the fiscal

year under review amounted to ¥25 per share, the same amount as the dividends for the previous fiscal year. The payout ratio fell 4.5 percentage, to 22.8%, while dividends on equity fell 0.1 percentage, to 1.7%.

#### **FORWARD-LOOKING STATEMENT**

In fiscal 2003, we anticipate ongoing economic recession in which drug prices will drop considerably due to the expected revision of price standards and the selling environment will remain difficult. This, combined with the burden of depreciation of the expanded tonic and nutrient drink facilities at the Okayama Factory, is anticipated to contribute to difficult operating circumstances.

In fiscal 2003, we aim to achieve net sales of ¥273.5 billion, a 0.8% increase, and net income of ¥37.3 billion, a 0.2% decrease from the fiscal year under review.

Forward-looking statements are based on judgments that take into consideration the information available to the Taisho Group at the date of their formulation and are subject to potential risks or uncertain factors. Various elements that form the basis of these forward-looking statements may differ from the Taisho Group's assumptions and actual results may differ significantly from those presented here.

## Consolidated Balance Sheets

Taisho Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

As of March 31, 2002 and 2001

<b>ASSETS</b>	Millions of yen		Thousands of U.S. dollars (Note 3)
	2002	2001	2002
<b>Current assets:</b>			
Cash and cash equivalents (Note 4) .....	¥ 26,064	¥ 22,864	\$ 195,602
Time deposits .....	89,926	106,841	674,867
Marketable securities (Note 5) .....	25,104	8,007	188,398
Notes and accounts receivable, trade .....	73,574	71,207	552,150
Allowance for doubtful accounts .....	(626)	(331)	(4,698)
Inventories .....	19,296	19,658	144,811
Deferred income taxes (Note 10) .....	12,343	8,915	92,630
Other current assets .....	6,112	7,917	45,869
Total current assets .....	251,793	245,078	1,889,629
Investment securities (Note 5) .....	197,304	208,291	1,480,705
Property, plant and equipment, net (Note 6) .....	107,775	97,075	808,818
<b>Intangible assets and other assets:</b>			
Intangible assets .....	14,308	12,466	107,377
Deferred income taxes (Note 10) .....	11,042	2,398	82,867
Other assets .....	7,814	8,304	58,642
Total intangible assets and other assets .....	33,164	23,168	248,886
Total assets .....	¥590,036	¥573,612	\$4,428,038

The accompanying notes are an integral part of these statements.

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	Millions of yen		Thousands of U.S. dollars (Note 3)
	2002	2001	2002
<b>Current liabilities:</b>			
Short-term loans (Note 7) .....	¥ 533	¥ 365	\$ 4,000
Current portion of long-term debt (Note 7) .....	45	196	338
Notes and accounts payable, trade .....	16,370	15,408	122,852
Accrued income taxes (Note 10) .....	15,877	19,000	119,152
Accrued expenses .....	11,853	12,713	88,953
Other current liabilities .....	15,478	16,575	116,150
Total current liabilities .....	<u>60,156</u>	<u>64,257</u>	<u>451,445</u>
<b>Long-term liabilities:</b>			
Long-term debt (Note 7) .....	—	45	—
Accrued retirement benefits (Note 8) .....	40,369	39,032	302,957
Other long-term liabilities (Note 10) .....	2,167	2,035	16,271
Total long-term liabilities .....	<u>42,536</u>	<u>41,112</u>	<u>319,228</u>
<b>Minority interests in consolidated subsidiaries</b> .....	<b>462</b>	<b>641</b>	<b>3,467</b>
<b>Shareholders' equity:</b>			
Common stock, ¥50 par value:			
Authorized—1,195,459 thousand shares			
Issued—340,966 thousand shares .....	29,804	29,804	223,670
Additional paid-in capital .....	14,935	14,935	112,083
Retained earnings (Note 9) .....	440,408	411,681	3,305,126
Net unrealized gains on securities .....	7,292	16,162	54,724
Foreign currency translation adjustment .....	(2,110)	(4,467)	(15,835)
Treasury stock (2002: 1,559,144 shares, 2001: 145,144 shares) .....	(3,447)	(513)	(25,869)
Total shareholders' equity .....	<u>486,882</u>	<u>467,601</u>	<u>3,653,899</u>
<b>Commitments and contingent liabilities</b> (Notes 13 and 14)			
Total liabilities and shareholders' equity .....	<u>¥590,036</u>	<u>¥573,612</u>	<u>\$4,428,038</u>



# Consolidated Statements of Shareholders' Equity

Taisho Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

For the years ended March 31, 2002 and 2001

	Millions of yen							
	Number of shares	Common stock	Additional paid-in capital	Retained earnings	Net unrealized gains on securities	Foreign currency translation adjustment	Treasury stock	Comprehensive income
<b>Balance as of March 31, 2000</b> .....	343,506,510	¥ 29,804	¥ 14,935	¥ 397,185	¥ —	¥ —	¥ (515)	
Dividends paid .....	—	—	—	(8,584)	—	—	—	
Bonuses to directors and corporate auditors .....	—	—	—	(83)	—	—	—	
Purchase of treasury stock .....	—	—	—	—	—	—	(8,490)	
Reissuance of treasury stock .....	—	—	—	—	—	—	386	
Redemption of treasury stock .....	(2,541,000)	—	—	(8,106)	—	—	8,106	
Net income .....	—	—	—	31,269	—	—	—	¥ 31,269
Unrealized gains on securities .....	—	—	—	—	16,162	—	—	16,162
Currency translation adjustment .....	—	—	—	—	—	(4,467)	—	(4,467)
<b>Balance as of March 31, 2001</b> .....	340,965,510	29,804	14,935	411,681	16,162	(4,467)	(513)	¥ 42,964
Dividends paid .....	—	—	—	(8,520)	—	—	—	
Adjustment for retained earnings of consolidated subsidiary .....	—	—	—	(31)	—	—	—	
Bonuses to directors and corporate auditors .....	—	—	—	(83)	—	—	—	
Purchase of treasury stock .....	—	—	—	—	—	—	(2,991)	
Cost for disposition of treasury stock .....	—	—	—	—	—	—	57	
Net income .....	—	—	—	37,361	—	—	—	¥ 37,361
Unrealized loss on securities .....	—	—	—	—	(8,870)	—	—	(8,870)
Currency translation adjustment .....	—	—	—	—	—	2,357	—	2,357
<b>Balance as of March 31, 2002</b> .....	<u>340,965,510</u>	<u>¥ 29,804</u>	<u>¥ 14,935</u>	<u>¥ 440,408</u>	<u>¥ 7,292</u>	<u>¥ (2,110)</u>	<u>¥ (3,447)</u>	<u>¥ 30,848</u>

	Thousands of U.S. dollars (Note 3)						
	Common stock	Additional paid-in capital	Retained earnings	Net unrealized gains on securities	Foreign currency translation adjustment	Treasury stock	Comprehensive income
<b>Balance as of March 31, 2001</b> .....	\$ 223,670	\$ 112,083	\$ 3,089,539	\$ 121,291	\$ (33,524)	\$ (3,850)	
Dividends paid .....	—	—	(63,940)	—	—	—	
Adjustment for retained earnings of consolidated subsidiary .....	—	—	(233)	—	—	—	
Bonuses to directors and corporate auditors .....	—	—	(623)	—	—	—	
Purchase of treasury stock .....	—	—	—	—	—	(22,447)	
Cost for disposition of treasury stock .....	—	—	—	—	—	428	
Net income .....	—	—	280,383	—	—	—	\$ 280,383
Unrealized loss on securities .....	—	—	—	(66,567)	—	—	(66,567)
Currency translation adjustment .....	—	—	—	—	17,689	—	17,689
<b>Balance as of March 31, 2002</b> .....	<u>\$ 223,670</u>	<u>\$ 112,083</u>	<u>\$ 3,305,126</u>	<u>\$ 54,724</u>	<u>\$(15,835)</u>	<u>\$(25,869)</u>	<u>\$ 231,505</u>

The accompanying notes are an integral part of these statements.

## Consolidated Statements of Cash Flows

Taisho Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

For the years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2002	2001	2002
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests .....	¥66,446	¥55,868	\$498,657
Adjustments:			
Depreciation and amortization .....	14,189	14,572	106,484
Interest and dividend income .....	(4,795)	(5,450)	(35,985)
Interest expenses .....	20	26	150
Proceeds from sales of investment securities .....	(1,625)	—	(12,195)
Devaluation of investment securities .....	2,080	172	15,610
Loss on disposals of property, plant and equipment, net .....	329	378	2,469
Increase in accrued retirement benefits .....	1,336	378	10,026
Amortization of transition obligation .....	—	17,374	—
Amortization of goodwill .....	57	49	428
Equity in net earnings of affiliated companies .....	(194)	(152)	(1,456)
Increase in notes and accounts receivable, trade .....	(2,254)	(7,951)	(16,916)
Decrease in inventories .....	406	107	3,047
Increase (decrease) in notes and accounts payable, trade .....	837	(1,777)	6,281
Other, net .....	1,496	(2,383)	11,227
	<u>78,328</u>	<u>71,211</u>	<u>587,827</u>
Interest and dividends income received .....	4,253	4,859	31,917
Interest paid .....	(20)	(26)	(150)
Income taxes paid .....	(37,907)	(39,434)	(284,480)
Net cash provided by operating activities .....	<u>44,654</u>	<u>36,610</u>	<u>335,114</u>
<b>Cash flows from investing activities:</b>			
Decrease (increase) in time deposits .....	17,023	(9,555)	127,752
Payments for purchases of marketable securities .....	(1,000)	(3,000)	(7,505)
Proceeds from sales of marketable securities .....	10,003	1,025	75,069
Payments for purchases of property, plant and equipment .....	(21,366)	(10,875)	(160,345)
Proceeds from sales of property, plant and equipment .....	126	6	946
Payments for purchases of intangible assets .....	(6,137)	(512)	(46,056)
Payments for purchases of investment securities .....	(31,824)	(21,621)	(238,829)
Proceeds from sales of investment securities .....	3,025	2,544	22,702
Payments for long-term prepaid expenses .....	(556)	(870)	(4,173)
Other, net .....	251	14,952	1,884
Net cash used in investing activities .....	<u>(30,455)</u>	<u>(27,906)</u>	<u>(228,555)</u>
<b>Cash flows from financing activities:</b>			
Repayment of long-term debt .....	(196)	(196)	(1,471)
Proceeds from short-term loans .....	460	52	3,452
Repayment of short-term loans .....	(302)	(88)	(2,266)
Cash dividends .....	(8,505)	(8,565)	(63,827)
Payments for purchases of treasury stock .....	(2,998)	(8,490)	(22,499)
Proceeds from sales of treasury stock .....	61	386	458
Net cash used in financing activities .....	<u>(11,480)</u>	<u>(16,901)</u>	<u>(86,154)</u>
Effect of exchange rate changes on cash and cash equivalents .....	481	133	3,610
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<b>3,200</b>	<b>(8,064)</b>	<b>24,015</b>
<b>Cash and cash equivalents at the beginning of the year .....</b>	<b>22,864</b>	<b>30,928</b>	<b>171,587</b>
<b>Cash and cash equivalents at the end of the year .....</b>	<b>¥26,064</b>	<b>¥22,864</b>	<b>\$195,602</b>

The accompanying notes are an integral part of these statements.

# Notes to Consolidated Financial Statements

Taisho Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

## 1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Taisho Pharmaceutical Co., Ltd. (the "Company") and its domestic and foreign subsidiaries (together, the "Companies") are basically English versions of those which have been filed with the Ministry of Finance and prepared in accordance with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Accounting Standards. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements as well as reported amounts of revenues and expenses during the reporting periods.

The accompanying consolidated financial statements incorporate certain reclassifications and rearrangements in order to present these statements in a form which is more familiar to the readers of these statements outside Japan. In addition, the notes to consolidated financial statements include information that is not required under generally accepted accounting principles and practices in Japan but is presented herein as additional information.

The figures shown in the consolidated financial statements have been rounded to the nearest million yen.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (1) Consolidation and investments in affiliates

The consolidated financial statements include the accounts of the Company and all significant subsidiaries in which the Company has the ability to exercise significant influence over operating and financial policies.

Taisho (Australia) Pty. Ltd., a wholly owned subsidiary of the Company, was established in May 2000. Consequently, the accounts of the subsidiary have been included in the 2001 consolidation. Additionally, Taisho Pharmaceutical R&D U.S.A. Inc., a wholly owned subsidiary of the Company, was established in August 2001, therefore, the accounts of the subsidiary have been included in the 2002 consolidation.

All significant intercompany transactions and accounts and unrealized intercompany profits are eliminated in consolidation. All the consolidated subsidiaries are consolidated on the basis of their fiscal years ended December 31, 2001 and 2000. Material differences in intercompany transactions and accounts arising from the use of the different fiscal year-ends are appropriately adjusted in consolidation.

The difference between the cost and underlying net equity of investments in consolidated subsidiaries at the time of acquisition is deferred and amortized over the periods that reflect those benefits (five-year periods).

Investments in 50% or less owned companies, over which the parent company does not have control but has the ability to exercise significant influence, are accounted for by the equity method. The excess of the cost over the underlying net equity of investments in consolidated subsidiaries and affiliates accounted for on an equity basis is deferred and amortized over a five-year period. Consolidated net income includes the Company's equity in current earnings of these equity companies after the elimination of unrealized intercompany profits.

### (2) Foreign currency transactions

Foreign currency transactions are translated using foreign exchange rates prevailing at the transaction dates.

All monetary assets and liabilities denominated in foreign currencies, whether they are long-term or short-term, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting gains and losses are included in net profit or loss for the period.

All assets and liabilities of foreign subsidiaries and affiliates are translated at current rates at the respective balance sheet dates and all the income and expense accounts are translated at average rates for respective periods. Foreign currency translation adjustments are presented as a component of shareholders' equity in the consolidated financial statements.

### (3) Financial instruments

#### (a) Derivatives

All derivatives are stated at fair value, with changes in fair value included in net profit or loss for the period in which they arise, except for derivatives that are designated as "hedging instruments."

#### (b) Securities

Securities held by the Company and its subsidiaries are classified into four categories:

Trading securities are stated at fair value, with changes in fair value included in net profit or loss for the period in which they arise.

Held-to-maturity debt securities are stated at cost after accounting for any premium or discount on acquisition, which is amortized over the period to maturity.

Investments of the Company in equity securities of non-consolidated subsidiaries and affiliates are accounted for by the equity method.

Other securities for which market quotations are available are stated at fair value. Net unrealized gains or losses on these securities are reported as a separate item in the shareholders' equity at a net-of-tax amount. Other securities for which market quotations are unavailable are stated at cost.

When the fair value of held-to-maturity debt securities or other securities has declined significantly and such impairment of the value is not deemed temporary, those securities are written down to the fair value and the resulting losses are included in net profit or loss for the period.

Trading securities and debt securities due within one year are presented as "marketable securities" under current assets and all the other securities are presented as "investment securities."

#### (c) Hedge Accounting

Gains or losses arising from changes in the fair value of the derivatives designated as "hedging instruments" are deferred as assets or liabilities and included in net profit or loss in the same period during which the gains and losses on the hedged items or transactions are recognized.

Derivatives designated as hedging instruments by the Company are principally forward exchange and interest swap contracts. A hedged item is an asset, liability, firm commitment, or forecasted future transaction that exposes the enterprise to risk of changes in fair value or changes in future cash flows and that for hedge accounting purposes is designated as being hedged.

The Company has a policy to utilize the above hedging instruments in order to reduce the Company's exposure to the risk of exchange and interest rate fluctuations. Thus, the Company's purchases of the hedging instruments are limited to, at maximum, the amounts of the hedged items.

The Company evaluates the effectiveness of its hedging activities by reference to the accumulated gains or losses on the hedging instruments and the related hedged items from the commencement of the hedges.

#### **(4) Allowance for doubtful accounts**

The allowance for doubtful accounts is provided for estimated future losses based on past experience and is based on an evaluation of the collectability of individual receivables.

#### **(5) Inventories**

Inventories held by the Company are stated at cost, which is determined by the average method.

#### **(6) Property, plant and equipment**

Property, plant and equipment, including significant renewals and improvements, are capitalized at cost. Maintenance and repairs and minor renewals and betterments are charged to income. Depreciation is computed primarily on the declining-balance method at rates based on the estimated useful lives of the assets. In the case of retirement or disposal, the difference between the net book value and salvage or sales proceeds is charged or credited to income.

#### **(7) Retirement benefits and pension plans**

Lump-sum severance indemnity regulations of the Companies, which cover substantially all employees, provide for benefit payments determined by reference to the employee's current basic rate of pay, length of service, position in the respective companies and termination circumstance. The regulations provide for additional benefits upon retirement at the retirement age (from 55 years old to 60 years old), death or for certain defined reasons.

In addition to the lump-sum, severance indemnity regulations, the Company has contributory funded defined benefit pension plans, which are pursuant to the Japanese Welfare Pension Insurance Law and cover a portion of the governmental welfare pension program, under which the contributions are made by the Company and their employees.

The accrued retirement benefits represent the actuarially calculated present value of projected benefit obligation in excess of the fair value of the plan assets except that, as permitted under the Japanese accounting standard for retirement benefits, the unrecognized actuarial differences are amortized on a straight-line basis over the period of sixteen years, which is within the average remaining service period of employees, from the next year in which they arise.

As a result of adopting the standard on April 1, 2000, the entire amount of the net transition obligation totaling ¥17,374 million was charged to income for the year ended March 31, 2001.

Directors are not covered by the regulations. Benefits paid to them are charged to income upon approval by the shareholders.

#### **(8) Revenue recognition**

Sales are generally recognized at the time the goods are delivered to the customers.

#### **(9) Finance leases**

Finance leases, other than those where ownership of the lease assets is transferred to the lessee, are accounted for as operating leases.

#### **(10) Income taxes**

The provision for income taxes is computed based on the pre-tax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the reported amounts and the tax bases of assets and liabilities. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

#### **(11) Appropriations of retained earnings**

The appropriations of retained earnings reflected in the accompanying consolidated financial statements have been recorded after approval by the shareholders as required under the Japanese Commercial Code.

#### **(12) Free share distributions and earnings per share**

In accordance with the Japanese Commercial Code, a free share distribution may be made upon approval of the Board of Directors by transferring the par value of the related shares from additional paid-in capital to the common stock account. In Japan, a free share distribution is clearly distinguished from a stock dividend.

The computation of net income and cash dividends per share is based on the average number of shares outstanding during each period.

The company retains stock option plans, however, net income per share is not diluted after the computation.

#### **(13) Cash equivalents**

For the purpose of the statement of cash flows, all highly liquid investments which are readily convertible into cash and/or mature within three months or less to are considered be cash equivalents.

#### **(14) Treasury stock**

Treasury stock is stated at cost as a separate component of the shareholders' equity in the accompanying consolidated balance sheets. Net gains on resale of shares of treasury stock are presented under additional paid-in capital in the shareholders' equity in the accompanying consolidated balance sheets.

#### **(15) Reclassifications**

Certain accounts in the consolidated financial statements for the year ended March 31, 2001 have been reclassified to conform to the 2002 presentation.

### **3. UNITED STATES DOLLAR AMOUNTS**

The U.S. dollar amounts are included solely for convenience and have been translated at the rate of ¥133.25=US\$1, the approximate exchange rate prevailing in the Japanese foreign exchange market as at March 29, 2002. This translation should not be construed as a representation that the yen amounts actually represent, or have been or could be converted into U.S. dollars.



#### 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at March 31, 2002 and 2001 comprised the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Cash.....	¥12,011	¥12,564	\$ 90,139
Time deposits.....	14,053	3,000	105,463
Securities investments.....	—	1,000	—
Other current assets.....	—	6,300	—
	<u>¥26,064</u>	<u>¥22,864</u>	<u>\$195,602</u>

#### 5. MARKETABLE SECURITIES AND INVESTMENT SECURITIES

The following information relates to the aggregate book value and fair value of securities in 2002.

i) Held-to-maturity securities whose fair value is readily determinable

March 31, 2002	Millions of yen		
	Book value	Fair value	Unrealized gains (losses)
Securities whose fair values exceed their book values on the consolidated balance sheet:			
Government bonds, municipal bonds, etc. ....	¥ —	¥ —	¥ —
Corporate bonds.....	4,171	4,272	101
Subtotal.....	<u>4,171</u>	<u>4,272</u>	<u>101</u>
Securities whose fair values do not exceed their book values on the consolidated balance sheet:			
Government bonds, municipal bonds, etc. ....	—	—	—
Corporate bonds.....	4,937	4,730	(206)
Subtotal.....	<u>4,937</u>	<u>4,730</u>	<u>(206)</u>
Total.....	<u>¥9,108</u>	<u>¥9,003</u>	<u>¥(105)</u>

March 31, 2002	Thousands of U.S. dollars		
	Book value	Fair value	Unrealized gains (losses)
Securities whose fair values exceed their book values on the consolidated balance sheet:			
Government bonds, municipal bonds, etc. ....	\$ —	\$ —	\$ —
Corporate bonds.....	31,302	32,060	758
Subtotal.....	<u>31,302</u>	<u>32,060</u>	<u>758</u>
Securities whose fair values do not exceed their book values on the consolidated balance sheet:			
Government bonds, municipal bonds, etc. ....	—	—	—
Corporate bonds.....	37,051	35,497	(1,546)
Subtotal.....	<u>37,051</u>	<u>35,497</u>	<u>(1,546)</u>
Total.....	<u>\$68,353</u>	<u>\$67,557</u>	<u>\$ (788)</u>

ii) Other securities whose fair value is readily determinable

March 31, 2002	Millions of yen		
	Acquisition cost	Fair value	Unrealized gains (losses)
Securities whose fair values exceed their carrying values on the consolidated balance sheet			
Equity securities .....	¥ 14,951	¥ 29,580	¥14,629
Government bonds, municipal bonds, etc. ..	18,120	18,156	36
Corporate bonds.....	50,600	51,236	636
Others.....	—	—	—
Subtotal.....	<u>83,671</u>	<u>98,972</u>	<u>15,301</u>
Securities whose fair values do not exceed their carrying values on the consolidated balance sheet			
Equity securities .....	684	548	(136)
Government bonds, municipal bonds, etc. ..	10,116	10,096	(20)
Corporate bonds.....	51,023	50,325	(698)
Others.....	32,000	30,094	(1,906)
Subtotal.....	<u>98,823</u>	<u>91,063</u>	<u>(2,760)</u>
Total.....	<u>¥177,494</u>	<u>¥190,035</u>	<u>¥12,541</u>

March 31, 2002	Thousands of U.S. dollars		
	Acquisition cost	Fair value	Unrealized gains (losses)
Securities whose fair values exceed their carrying values on the consolidated balance sheet			
Equity securities .....	\$ 112,203	\$ 221,989	\$109,786
Government bonds, municipal bonds, etc. ..	135,985	136,255	270
Corporate bonds.....	379,737	384,510	4,773
Others.....	—	—	—
Subtotal.....	<u>627,925</u>	<u>742,754</u>	<u>114,829</u>
Securities whose fair values do not exceed their carrying values on the consolidated balance sheet			
Equity securities .....	5,134	4,113	(1,021)
Government bonds, municipal bonds, etc. ..	75,917	75,767	(150)
Corporate bonds.....	382,912	377,674	(5,238)
Others.....	240,150	225,846	(14,304)
Subtotal.....	<u>704,113</u>	<u>683,400</u>	<u>(20,713)</u>
Total.....	<u>\$1,332,038</u>	<u>\$1,426,154</u>	<u>\$ 94,116</u>

Other securities whose fair value is readily determinable are recorded at fair value on the consolidated balance sheet at March 31, 2002.

iii) Other securities sold in the current fiscal year.

March 31, 2002	Millions of yen	Thousands of U.S. dollars
Proceeds from sale of other securities .....	¥3,025	\$22,702
Gain on sale of other securities .....	1,625	12,195
Loss on sale of other securities .....	—	—

iv) Securities whose fair value is not readily determinable

March 31, 2002	Book value	
	Millions of yen	Thousands of U.S. dollars
Other securities		
Unlisted equity securities .....	¥ 1,169	\$ 8,773
Bonds issued by domestic corporations .....	22,000	165,103
Beneficial interest on trusted lease receivables .....	—	—
Total .....	¥23,169	\$217,876

v) Redemption schedule for other securities having a maturity data and held-to-maturity securities

March 31, 2002	Millions of yen			
	Due 2002	Due 2003-2006	Due 2007-2011	Due after 2012
Government bonds, municipal bonds, etc. ....	¥ 8,000	¥20,030	¥ —	¥—
Corporate bonds .....	17,100	47,500	4,000	—
Others .....	—	—	—	—
Total .....	¥25,100	¥67,530	¥4,000	¥—

March 31, 2002	Thousands of U.S. dollars			
	Due 2002	Due 2003-2006	Due 2007-2011	Due after 2012
Government bonds, municipal bonds, etc. ....	\$ 60,038	\$150,319	\$ —	\$—
Corporate bonds .....	128,330	356,473	30,019	—
Others .....	—	—	—	—
Total	\$188,368	\$506,792	\$30,019	\$—

## 6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at March 31, 2002 and 2001 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Buildings and structures .....	¥100,591	¥ 92,570	\$ 754,904
Machinery, equipment and vehicles .....	69,241	60,217	519,632
Other .....	25,980	24,373	194,972
At cost .....	195,812	177,160	1,469,508
Accumulated depreciation .....	(120,818)	(114,670)	(906,702)
Land .....	23,296	23,245	174,829
Construction in progress .....	9,485	11,340	71,182
	¥107,775	¥ 97,075	\$ 808,818

## 7. SHORT-TERM LOANS AND LONG-TERM DEBT

Short-term loans at March 31, 2002 represented bank overdrafts which bore average interest of 2.06%.

Long-term debt at March 31, 2002 represented unsecured long-term loans from banks and their annual maturities are as follows:

Maturities in	Millions of yen	Thousands of U.S. dollars
2003 .....	¥45	\$338
Less current portion .....	(45)	(388)
	¥ 0	\$ 0

## 8. COST OF RETIREMENT AND SEVERANCE BENEFITS

The funded status as at March 31, 2002 and 2001 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Benefit obligation .....	<b>¥66,099</b>	¥66,508	<b>\$496,053</b>
Plan assets.....	<b>(21,264)</b>	(21,999)	<b>(159,580)</b>
Unfunded benefit obligation.....	<b>44,835</b>	44,509	<b>336,473</b>
Unrecognized prior service cost .....	<b>2,588</b>	—	<b>19,422</b>
Unrecognized actuarial loss.....	<b>(7,054)</b>	(5,477)	<b>(52,938)</b>
Accrued retirement benefits .....	<b>¥40,369</b>	¥39,032	<b>\$302,957</b>

The above figures include amounts for a portion of the governmental welfare pension program.

The components of net retirement cost for the year ended March 31, 2002 and 2001 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Service cost .....	<b>¥2,938</b>	¥ 2,885	<b>\$22,049</b>
Interest cost.....	<b>1,980</b>	1,872	<b>14,859</b>
Expected return on plan assets.....	<b>(879)</b>	(954)	<b>(6,597)</b>
Amortization of prior service cost.....	<b>(29)</b>	—	<b>(218)</b>
Amortization of actuarial gain/loss.....	<b>342</b>	—	<b>2,567</b>
Amortization of transition obligation .....	—	17,374	—
Net retirement cost .....	<b>¥4,352</b>	¥21,177	<b>\$32,660</b>

Assumptions used for the year ended March 31, 2002 and 2001 were as follows:

	2002	2001
Discount rate	<b>3.0%</b>	3.0%
Expected return on plan assets	<b>4.0%</b>	4.0%
Method of attributing the projected benefits to periods of service	<b>Straight-line basis</b>	Straight-line basis
Period for amortization of transition obligation	—	1 year
Period for amortization of prior service cost	<b>15 years</b>	—
Period for amortization of actuarial gain/loss	<b>15-16 years</b>	16 years

## 9. APPROPRIATION OF RETAINED EARNINGS

The Japanese Commercial Code provides that an amount equal to at least 10 percent of cash dividends and bonuses to directors and statutory auditors shall be appropriated as a legal reserve until such reserve equals 25 percent of the capital stock account. This reserve is not available for dividends but may be used to reduce a deficit or may be transferred to stated capital. Effective from October 1, 2001, such reserve shall be provided until the sum of capital surplus and the legal reserve equals 25 percent of the stated capital. The balances of the legal reserve of the Company at March 31, 2002 and 2001 which is included in retained earnings in the accompanying consolidated balance sheet were ¥7,451 million (\$55,917 thousand) and ¥7,451 million, respectively.

Under the Japanese Commercial Code, the appropriation of retained earnings for a fiscal year is made by resolution of shareholders at a general meeting to be held after the balance sheet date, and the accounts for the year do not reflect such appropriation.

The proposed appropriation of retained earnings of the Company for the year ended March 31, 2002, which was approved on June 27, 2002, at the general shareholders' meeting is as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends at ¥25.00 per share .....	¥8,485	\$63,677
Directors' and statutory auditors' bonuses.....	87	653
	<b>¥8,572</b>	<b>\$64,330</b>

## 10. INCOME TAXES

The components of income tax expenses were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Current .....	<b>¥34,775</b>	¥38,157	<b>\$260,976</b>
Deferred.....	<b>(5,654)</b>	(13,525)	<b>(42,432)</b>
	<b>¥29,121</b>	¥24,632	<b>\$218,544</b>

The Company is subject to a number of different income taxes which, in aggregate, indicate a Japanese statutory rate of approximately 42% for the years ended March 31, 2002 and 2001. The enacted rate of 42% for the year ended March 31, 2002 was used in calculating the future expected tax effects of temporary differences.

The significant components of deferred tax assets and liabilities as of March 31, 2002 were as follows:

	Millions of yen	Thousands of U.S. dollars
<b>Deferred tax assets:</b>		
Enterprise taxes .....	¥ 1,457	\$ 10,934
Accrued expenses .....	2,100	15,760
Research expenses, etc. ....	7,314	54,889
Accrued severance indemnities .....	14,548	109,178
Accrued bonuses .....	1,027	7,707
Prepaid research expenses .....	2,457	18,439
Operating loss carryforwards for tax purposes .....	406	3,047
Other .....	1,936	14,530
Gross deferred tax assets .....	31,245	234,484
Less: Valuation allowance .....	(401)	(3,009)
Total deferred tax assets .....	30,844	231,475
<b>Deferred tax liabilities:</b>		
Net unrealized gains on securities .....	(5,280)	(39,625)
Deferred gain on sales of real property .....	(2,177)	(16,338)
Other .....	(14)	(105)
Total deferred tax liabilities .....	(7,471)	(56,068)
Net deferred tax assets .....	¥23,373	\$175,407

The valuation allowance mainly relates to deferred tax assets of foreign consolidated subsidiaries with tax loss carryforwards that are not expected to be realized in the near future.

Net deferred tax assets included in the consolidated balance sheets were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Current assets—Deferred income taxes .....	¥12,343	¥ 8,915	\$ 92,630
Other assets—Deferred income taxes .....	11,042	2,398	82,867
Long-term liabilities—Other .....	(13)	(19)	(90)
Net deferred tax assets .....	¥23,372	¥11,294	\$175,407

At March 31, 2002, no deferred income taxes have been provided on undistributed earnings of foreign subsidiaries not expected to be remitted in the foreseeable future. Tax loss carryforwards of consolidated foreign subsidiaries at March 31, 2002 amounted to approximately ¥1,474 million (\$11,060 thousand) and are available as an offset against future taxable income of such foreign subsidiaries. These carryforwards expire at various dates and realization is dependent on such foreign subsidiaries generating sufficient taxable income prior to expiration of the tax loss carryforwards.

Although realization is not assured, management believes it is more likely than not that all of the deferred tax assets less valuation allowance will be realized. The amount of such net deferred tax assets considered realizable, however, could be changed in the near term if estimates of future taxable income during the carryforward period are changed.

## 11. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses included in selling, general and administrative expenses approximated ¥32,212 million (\$241,741 thousand) and ¥33,401 million for the years ended March 31, 2002 and 2001, respectively.

## 12. OTHER INCOME AND EXPENSES

Other income and expenses for the years ended March 31, 2002 and 2001 consisted of the following:

	Millions of yen		Thousands of
	2002	2001	U.S. dollars
Other income:			2002
Gain on rent of property, plant and equipment.....	¥ 9	¥ 2	\$ 68
Equity in net earnings of affiliated companies .....	194	152	1,456
Gain on sales of investment securities.....	1,625	—	12,195
Others .....	1,937	1,783	14,536
	<u>¥3,765</u>	<u>¥1,937</u>	<u>\$28,255</u>

	Millions of yen		Thousands of
	2002	2001	U.S. dollars
Other expenses:			2002
Devaluation losses on investment securities.....	¥2,194	¥207	\$16,465
Loss on disposal of property, plant and equipment.....	329	378	2,469
Restructuring expenses for subsidiaries.....	130	—	976
Others.....	142	125	1,066
	<u>¥2,795</u>	<u>¥710</u>	<u>\$20,976</u>

## 13. LEASES

Periodic lease charges to the Companies, as a lessee, charged to income for the years ended March 31, 2002 and 2001 were ¥1,813 million (\$13,606 thousand) and ¥1,331 million, respectively. An analysis of amounts, as if they had been capitalized, relates to leased assets under finance lease contract which were not capitalized at March 31, 2002 and 2001 and is as follows:

	Millions of yen		Thousands of
	2002	2001	U.S. dollars
Tools, equipment and others:			2002
At cost .....	¥9,449	¥6,699	\$70,912
Accumulated depreciation .....	(3,740)	(2,725)	(28,068)
	<u>¥5,709</u>	<u>¥3,974</u>	<u>\$42,844</u>

The present values of future lease payments of the Companies, including amounts representing interest, at March 31, 2002 and 2001 were as follows:

	Millions of yen		Thousands of
	2002	2001	U.S. dollars
(Lessee)			2002
Current obligation .....	¥1,814	¥1,324	\$13,613
Long-term obligation .....	3,895	2,650	29,231
Present values of lease receipts .....	<u>¥5,709</u>	<u>¥3,974</u>	<u>\$42,844</u>

## 14. CONTINGENT LIABILITIES

Contingent liabilities at March 31, 2002 for an affiliated company's loans which are guaranteed by the Company amounted to ¥98 million (\$735 thousand).

## 15. SEGMENT INFORMATION

### (1) Industry segment information

The Company and its consolidated subsidiaries are engaged principally in the following two industrial segments:

Self-medication: OTC products, consumer goods for household and general use and other products

Prescription pharmaceutical: Ethical drugs

The segment information of the Company and its subsidiaries for the years ended March 31, 2002 and 2001 is presented below:


	Millions of yen		Thousands of
	2002	2001	U.S. dollars
Net sales:			2002
Self-medication .....	¥192,428	¥198,897	\$1,444,109
Prescription pharmaceutical.....	78,969	75,499	592,641
	<u>¥271,397</u>	<u>¥274,396</u>	<u>\$2,036,750</u>
Operating income:			
Self-medication .....	¥ 53,216	¥ 61,093	\$ 399,366
Prescription pharmaceutical.....	7,485	5,498	56,176
	<u>¥ 60,701</u>	<u>¥ 66,591</u>	<u>\$ 455,542</u>
Identifiable assets:			
Self-medication .....	¥262,978	¥253,448	\$1,973,572
Prescription pharmaceutical.....	102,082	90,601	766,098
Elimination/corporate .....	224,976	229,563	1,688,368
	<u>¥590,036</u>	<u>¥573,612</u>	<u>\$4,428,038</u>
Depreciation and amortization:			
Self-medication .....	¥ 9,573	¥ 10,043	\$ 71,839
Prescription pharmaceutical.....	4,616	4,529	34,645
	<u>¥ 14,189</u>	<u>¥ 14,572</u>	<u>\$ 106,484</u>
Capital expenditures:			
Self-medication .....	¥ 18,811	¥ 12,930	\$ 141,163
Prescription pharmaceutical.....	6,823	3,544	51,205
	<u>¥ 25,634</u>	<u>¥ 16,474</u>	<u>\$ 192,368</u>

### (2) Geographic area information and export sales information

As the total sales by consolidated subsidiaries outside Japan and the total export sales overseas are less than 10 percent of the consolidated net sales, information relating to geographic area and export sales has been omitted.

# Report of Independent Accountants

ChuoAoyama Audit Corporation

PRICEWATERHOUSECOOPERS 

Kasumigaseki Bldg. 32nd Floor  
3-2-5, Kasumigaseki, Chiyoda-ku,  
Tokyo 100-6088, Japan

June 27, 2002

**To the Board of Directors  
of Taisho Pharmaceutical Co., Ltd.**

In our opinion, the accompanying consolidated balance sheets and related consolidated statements of income, of shareholders' equity and of cash flows, expressed in yen, present fairly, in all material respects, the financial position of Taisho Pharmaceutical Co., Ltd. and its consolidated subsidiaries at March 31, 2002 and 2001, and the results of their operations and their cash flows for the years then ended in conformity with the accounting principles generally accepted in Japan. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits of these statements in accordance with generally accepted auditing standards in Japan which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

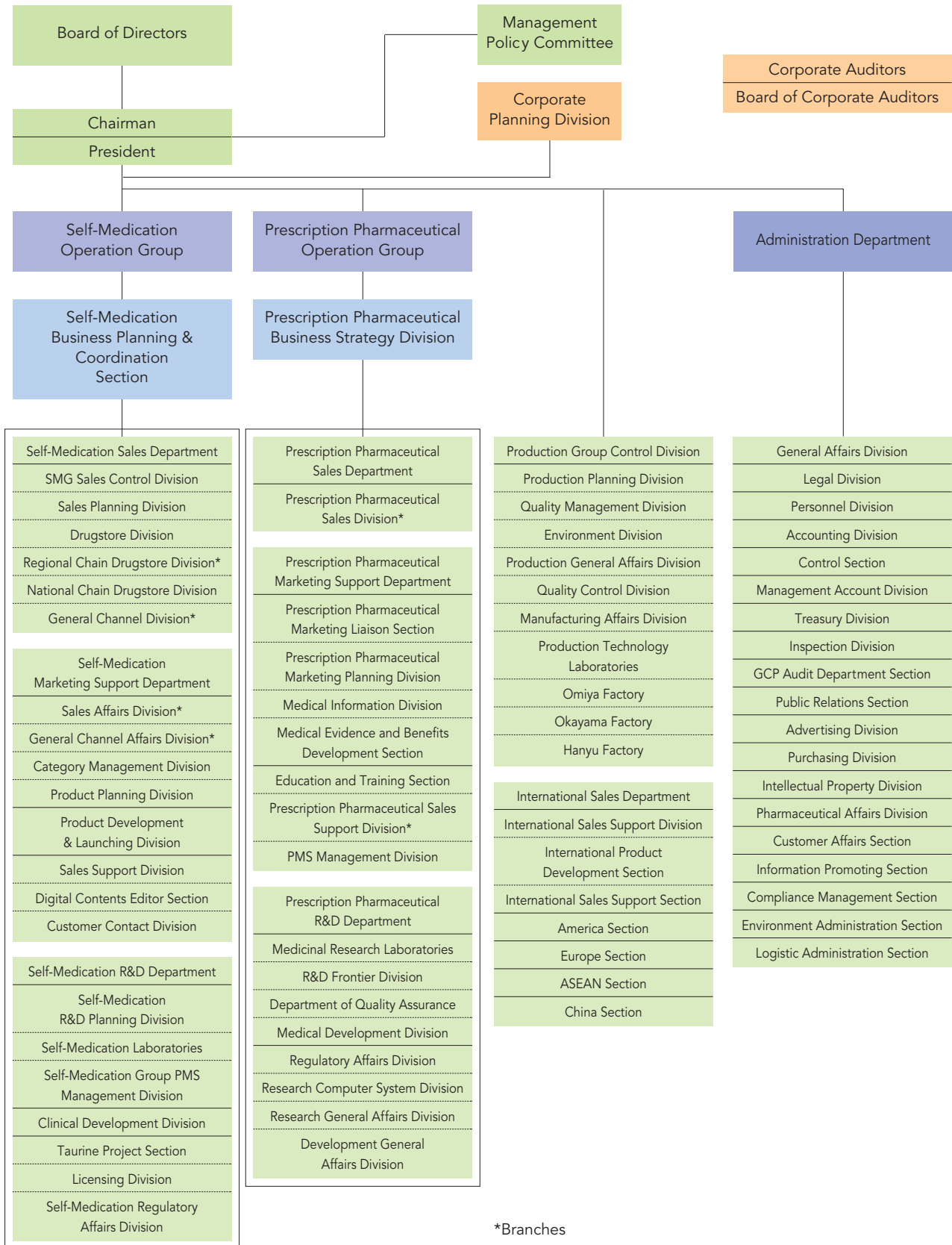


**Notice to Readers:**

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan. Accordingly, the accompanying consolidated balance sheets and related consolidated statements of income, of shareholders' equity and of cash flows and their utilization are not designed for those who are not informed about Japanese accounting principles, procedures and practices. The standards, procedures and practices utilized in Japan to audit such financial statements are those generally accepted and applied in Japan.

# Corporate Organization

(As of July 2, 2002)



\*Branches

# Directory

(As of July 2002)



## Head Office

24-1, Takata 3-chome, Toshima-ku, Tokyo 170-8633, Japan  
Telephone: 81-3-3985-1111  
Facsimile: Prescription Pharmaceutical Business Strategy Division: 81-3-3985-0716  
International Sales Support Division: 81-3-3980-6624  
Licensing Division (Self-Medication): 81-3-3988-2963  
Public Relations Section: 81-3-3985-6485  
Home page: <http://www.taisho.co.jp>

## Branch Offices

Osaka, Nagoya, Fukuoka, Sapporo, Sendai, Hiroshima, Shikoku, Kanazawa

## Milan Office

Via Mario Idiomi no 3/6, 20090 Assago, Italy  
Telephone: 39-2-4571-2688 Facsimile: 39-2-4571-4484

## Beijing Office

Room 212, Chang Fu Gong Center 26, Jian Guo Men Wai St., Beijing, China 100022  
Telephone: 86-10-6513-0834 Facsimile: 86-10-6513-0835

## Guangzhou Office

Room 403, Huan Shi Rd. East, Guangzhou, China  
Telephone: 86-20-8732-0767 Facsimile: 86-20-8732-1309



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## Omiya Factory

403, Yoshino-cho 1-chome,  
Saitama-shi, Saitama 330-8520, Japan  
Telephone: 81-48-663-1111 Facsimile: 81-48-664-9400



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## Research Center

403, Yoshino-cho 1-chome,  
Saitama-shi, Saitama 330-8530, Japan  
Telephone: 81-48-663-1111 Facsimile: 81-48-652-7254



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## Okayama Factory

33-2, Taiheidai Shoocho,  
Katsuta-gun, Okayama 709-4321, Japan  
Telephone: 81-868-38-6131 Facsimile: 81-868-38-5342



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## Hanyu Factory

603-27, Komatsudai 1-chome,  
Hanyu, Saitama 348-8540, Japan  
Telephone: 81-48-563-1121 Facsimile: 81-485-63-2152



## Domestic Subsidiaries

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### Sanofi-Synthelabo-Taisho Pharmaceuticals Co., Ltd.

3-23, Kioicho, Chiyoda-ku, Tokyo 102-0094, Japan  
Tel: 81-3-5275-7139 Fax: 81-3-5275-7217

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### Taisho Kosei Service Co., Ltd.

26-3, Takata 3-chome, Toshima-ku, Tokyo 170-8633, Japan  
Tel: 81-3-3981-6281 Fax: 81-3-3983-0181

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### Taisho Okinawa Co., Ltd.

19-18, Kume 1-chome, Naha-shi, Okinawa 900-0033, Japan  
Tel: 81-98-868-7809 Fax: 81-98-864-5738

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### Taisho Pharmaceutical Logistics Co., Ltd.

26-3, Takata 3-chome, Toshima-ku, Tokyo 170-8633, Japan  
Tel: 81-3-3985-5231 Fax: 81-3-3985-3694

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### Taisho M.T.C. Co., Ltd.

2-3, Kasumigaseki 5-chome, Chiyoda-ku, Tokyo 100-6090, Japan  
Tel: 81-3-3592-4461 Fax: 81-3-3592-4253

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### Taisho Business Research Institute Co., Ltd.

26-3, Takata 3-chome, Toshima-ku, Tokyo 170-8633, Japan  
Tel: 81-3-3985-1140 Fax: 81-3-3985-3649

## Overseas Subsidiaries

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### Taisho Pharmaceutical (H.K.) Ltd.

c/o Price Waterhouse  
20th Floor, Prince's Building, Hong Kong, S.A.R., China  
Tel: 852-2826-2111 Fax: 852-2810-9888

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### Taisho Pharmaceutical (Taiwan) Co., Ltd.

**Head Office and Factory**  
No. 69 Kuang Fu North Road,  
Fukou Hsiang, Hsinchu, Taiwan, R.O.C.  
Tel: 886-3-598-2624 Fax: 886-3-598-1971

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### Taisho Pharmaceutical (Taiwan) Co., Ltd.

**Taipei Office**  
3F., No. 129 Chung Yang North Road,  
Peitou, Taipei, Taiwan, R.O.C.  
Tel: 886-2-2897-7554 Fax: 886-2-2896-1635

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### Taisho Co., Ltd. Shanghai

**Shanghai Office**  
Room 2002, South Tower, Hong Kong Plaza,  
No. 283 Huai Hai Zhong Road, Shanghai 200021, China  
Tel: 86-21-6390-7015~7 Fax: 86-21-6390-7020

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### Taisho Co., Ltd. Shanghai

**Factory**  
4733 Cao An Road, Shanghai 201804, China  
Tel: 86-21-5959-8874 Fax: 86-21-5959-8637

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### Osotspa Taisho Co., Ltd.

2100 Ram Kham Heang Road, Huamak-Bangkapi,  
Bangkok 10240, Thailand  
Tel: 66-2-374-7219 Fax: 66-2-374-7014

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### Taisho Pharmaceutical (M) SDN. BHD.

**Head Office and Factory**  
Lot 9, Jalan P/12, Kawasan Perusahaan Seksyen 10,  
43650 Bandar Baru Bangi, Selangor Darul Ehsan, Malaysia  
Tel: 60-3-8926-1228 Fax: 60-3-8926-1788

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### Taisho Pharmaceutical Asia (M) SDN. BHD.

Lot 9, Jalan P/12, Kawasan Perusahaan Seksyen 10,  
43650 Bandar Baru Bangi, Selangor Darul Ehsan, Malaysia  
Tel: 60-3-8926-1228 Fax: 60-3-8926-1788

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### Taisho Hizon Manufacturing Inc.

Bo. de la Paz, Assumption Road, Sumulong Highway,  
Antipolo City, Philippines  
Tel: 63-2-650-5933 Fax: 63-2-650-5937

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### Taisho Pharmaceuticals (Philippines), Inc.

No. 51 Paseo de Roxas, cor. Sen. Gil Puyat Ave.,  
Urdaneta Village, Makati City, Metro Manila, Philippines  
Tel: 63-2-817-1284 Fax: 63-2-812-4599

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### PT. Taisho Indonesia

Gedung Kirana Elok Lt. 4, JL. Rawa Sumur III,  
Blok DD-12 Kawasan Industri Pulogadung,  
Jakarta Timur 13930, Indonesia  
Tel: 62-21-460-4461~4463 Fax: 62-21-460-4464

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### PT. Taisho Indonesia

**Cipanas Factory**  
Jl. Gadog No. 1, Cipanas, Sindanglaya,  
P.O. Box 15, Indonesia  
Tel: 62-255-513786 Fax: 62-255-515524

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### Taisho Vietnam Co., Ltd.

**Ho Chi Minh Office**  
Room 1001, 10th Floor, Harbour View Tower,  
35 Nguyen Hue Street, District 1,  
Ho Chi Minh City, Vietnam  
Tel: 84-8-821-7486 Fax: 84-8-821-7487

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### Taisho Vietnam Co., Ltd.

**Factory**  
National Road 1A, Suoi Hiep Ward, Dien Khanh Dist.,  
Khanh Hoa Pro., Vietnam  
Tel: 84-58-85-0409 Fax: 84-58-85-1347

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### Taisho Pharmaceutical California Inc.

3878 Carson Street, #216, Torrance,  
CA 90503, U.S.A.  
Tel: 1-310-543-2035 Fax: 1-310-543-9636

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### Taisho Pharmaceutical (Europe) Ltd.

Nash House, St. George Street,  
London W1S 2FQ, United Kingdom  
Tel: 44-20-7409-1555 Fax: 44-20-7409-1444

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### Taisho Foods Deutschland GmbH

Hamburger Allee 2-10, 60486  
Frankfurt am Main, Germany  
Tel: 49-69-9706490 Fax: 49-69-7075778

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### Taisho (Australia) Pty. Ltd.

Suite 4, 102 Alfred Milson's Point  
NSW 2061, Australia  
Tel: 61-2-8920-2455 Fax: 61-2-8920-2466

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### Taisho Pharmaceutical R&D Inc.

Mt. Kemble Avenue, Morris Township,  
New Jersey 07960, U.S.A.  
Tel: 1-973-898-6202 Fax: 1-973-285-1665

## Corporate Data

### DATE OF FOUNDATION

October 12, 1912

### PARENT COMPANY FINANCIAL DATA

(As of March 31, 2002)

<b>Paid-in Capital</b>	¥29,804 million (\$224 million)
<b>Total Assets</b>	¥589,386 million (\$4,423 million)
<b>Net Sales</b>	¥266,158 million (\$1,997 million)
<b>Net Income</b>	¥37,245 million (\$280 million)
	(¥133.25=US\$1 at March 31, 2002)

### NUMBER OF EMPLOYEES (As of March 31, 2002)

<b>Total</b>	4,510
<b>Total Sales Employees</b>	1,547
<b>OTC Sales</b>	992
<b>MR Sales</b>	555
<b>Research &amp; Development Employees</b>	967

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### Board of Directors (As of June 28, 2002)

#### CHAIRMAN OF THE BOARD

Shoji Uehara

#### PRESIDENT

Akira Uehara

#### EXECUTIVE VICE PRESIDENT

Akira Ohira

#### SENIOR MANAGING DIRECTOR

Hisataka Hotta

#### MANAGING DIRECTORS

Yoshimasa Miki

Hideyuki Waki

#### EXECUTIVE DIRECTORS

Hironaka Aihara

Yukio Yamamoto

Yoshiaki Sasaki

Takeo Yamaguchi

#### EXECUTIVE CORPORATE AUDITORS

Nobuo Ishii

Kunio Hiruma

#### CORPORATE AUDITORS

Toshio Morikawa

Kazuo Hayashi

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### Stock Information (As of March 31, 2002)

#### NUMBER OF SHARES

Authorized 1,195,459,000

Issued 340,965,510

**NUMBER OF SHAREHOLDERS** 44,947

#### STOCK LISTING

Tokyo Stock Exchange

#### STOCK TRANSFER AGENT

The Mitsubishi Trust & Banking Corporation  
11-1, Nagatacho 2-chome,  
Chiyoda-ku, Tokyo 100-8212, Japan

#### MAJOR SHAREHOLDERS

	Number of shares held (thousands)	Percentage of ownership (%)
Uehara Memorial Foundation	43,000	12.61
Shoji Uehara	36,614	10.74
Sumitomo Mitsui Banking Corporation	17,000	4.99
The Bank of Tokyo-Mitsubishi, Ltd.	17,000	4.99
Sumitomo Chemical Co., Ltd.	12,100	3.55
Uehara Museum of Modern Art Foundation	10,000	2.93
The Mitsubishi Trust & Banking Corporation*	9,312	2.73
Akira Uehara	7,145	2.10
Japan Trustee Services Bank, Ltd.*	6,347	1.86
Northern Trust Company (AVFC)		
Sub-account American Client	6,317	1.85

\* Trust account



## TAISHO PHARMACEUTICAL CO., LTD.

Head Office: 24-1, Takata 3-chome, Toshima-ku, Tokyo 170-8633, Japan

Telephone: 81-3-3985-1111

Facsimile: Prescription Pharmaceutical Business Strategy Division: 81-3-3985-0716

International Sales Support Division: 81-3-3980-6624

Licensing Division (Self-Medication): 81-3-3988-2963

Public Relations Section: 81-3-3985-6485

Home page: <http://www.taisho.co.jp>