

February 27, 2003

To Whom It May Concern

Taisho Pharmaceutical Co.,Ltd.
Toyama Chemical Co., Ltd.

Taisho Pharmaceutical to Acquire Three Brands of Toyama Chemical Over-the-Counter Drugs

We are pleased to announce that Taisho Pharmaceutical Co., Ltd. (“Taisho Pharmaceutical;” President: Akira Uehara) and Toyama Chemical Co., Ltd. (“Toyama Chemical;” President: Katsuhiko Nakano) have today agreed in principle that Taisho Pharmaceutical shall succeed to the marketing rights relating to three brands of Toyama Chemical OTC (non-prescription) drugs.

The details of the agreement are as follows:

- (1) The three brands are: Pirocut (an anti-inflammatory analgesic for external use), Rhythm (a gastrointestinal medicine), and Tocks (an antitussive expectorant).
- (2) Taisho Pharmaceutical will acquire the marketing rights to the existing products, products under development, and any improved products of these three brands.

Taisho Pharmaceutical, the top company in OTC drugs, has been making efforts to increase the number of its brands in the self-medication business. This new partnership will reinforce the product lineup and contribute to the expansion of business.

Toyama Chemical has been working to review its CHC (consumer health care) business, to transfer the marketing rights to OTC drugs to other companies, and to improve the efficiency of its management resources. Thus, there is a correspondence between the needs of the two companies, leading to the conclusion of the present agreement.

Taisho Pharmaceutical and Toyama Chemical have previously announced a business capital alliance and a tie-up in the prescription drug business (August 2002).

(Information)

One of the three brands, Pirocut, is a transdermal anti-inflammatory analgesic containing the nonsteroidal anti-inflammatory analgesic piroxicam. Pirocut was developed by Toyama Chemical as a switch OTC and placed on sale in 1995 (its brand name in prescription form is “Baxo”). Its active ingredient, piroxicam, is known to have a variety of beneficial effects, providing relief for lower back pain, joint pain, myalgia, and pain in the shoulder or knee. Pirocut has thus become the core OTC product of Toyama Chemical.