

January 30, 2003

To Whom It May Concern

Company: Taisho Pharmaceutical Co.,Ltd.
Representative: Akira Uehara, President
(First Section of TSE: Code 4535)
Contact: Takashi Shibata, Manager
Public Relations Section
(Tel: 81-3-3985-1115)

Notice Concerning Application for Exemption from the Substitutional Portion of Taisho's Welfare Pension Fund

Taisho Pharmaceutical Co., Ltd. (hereinafter "Taisho Pharmaceutical" or "the Company") today announced its decision to apply to Japan's Ministry of Health, Labour and Welfare for exemption from the future benefit obligation of the substitutional retirement portion of the Welfare Pension Fund following a meeting of the Taisho Welfare Pension Fund Board of Representatives held on January 27, 2004. Application for exemption was made on January 29, 2004.

Accordingly, the Company intends to adopt the transitional measure provided in paragraph 47-2 of the "Practical Guidance for Employee Retirement Benefit Accounting (Interim Report)" in the 13th issue of the Accounting Committee Report of the Japanese Institute of Certified Public Accountants. In addition, it will recognize as null and void its retirement payment obligations relating to the substitutional portion of the fund managed on behalf of the government, as of the date approval is granted.

Moreover, the Company therefore expects to report an extraordinary item in its consolidated and non-consolidated financial results for the fiscal year ending March 31, 2004. The extraordinary item is currently being calculated and will be disclosed as and when determined.