

October 18, 2005

For Immediate Release

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Taisho Revises Earnings Forecasts for FY2005 First Half and Full Year

Taisho Pharmaceutical Co., Ltd. announced that, based on recent business trends, it has revised its earnings forecasts for the first half and full year of fiscal 2005. The previous forecasts were announced on May 11, 2005.

1. Consolidated Forecasts of Business Results

First Half Fiscal 2005 (April 1, 2005 to September 30, 2005)

(Millions of yen, %)

	Sales	Operating Income	Recurring Income	Net Income
Previous Forecast (A)	141,500	26,500	27,500	16,000
Revised Forecast (B)	134,000	25,500	26,300	15,500
Change (B-A)	7,500	1,000	1,200	500
Change (%)	5.3%	3.8%	4.4%	3.1%
First Half Fiscal 2004	140,367	31,046	34,093	20,782

Full Year Fiscal 2005 (April 1, 2005 to March 31, 2006)

(Millions of yen, %)

	Sales	Operating Income	Recurring Income	Net Income
Previous Forecast (A)	280,000	48,500	51,500	35,500
Revised Forecast (B)	269,000	44,500	47,500	34,000
Change (B-A)	11,000	4,000	4,000	1,500
Change (%)	3.9%	8.2%	7.8%	4.2%
Full Year Fiscal 2004	279,437	54,698	58,063	35,489

2. Non-Consolidated Forecasts of Business Results

First Half Fiscal 2005 (April 1, 2005 to September 30, 2005)

(Millions of yen, %)

	Sales	Operating Income	Recurring Income	Net Income
Previous Forecast (A)	118,000	26,500	28,500	17,500
Revised Forecast (B)	110,700	25,000	27,000	17,000
Change (B-A)	7,300	1,500	1,500	500
Change (%)	6.2%	5.7%	5.3%	2.9%
First Half Fiscal 2004	117,548	30,275	32,576	19,997

Full Year Fiscal 2005 (April 1, 2005 to March 31, 2006)

(Millions of yen, %)

	Sales	Operating Income	Recurring Income	Net Income
Previous Forecast (A)	231,000	47,500	51,500	36,500
Revised Forecast (B)	220,000	43,500	47,500	35,000
Change (B-A)	11,000	4,000	4,000	1,500
Change (%)	4.8%	8.4%	7.8%	4.1%
Full Year Fiscal 2004	232,858	52,685	56,599	35,779

3. Reasons for the Revision

Operating results for the first half of fiscal 2005

Among mainstay self-medication products, sales of the nutrient drink Lipovitan D recovered in the second quarter as a result of strengthened sales promotion activities designed to compensate for the product's slow sales in the first quarter. However, sales of the RiUP series of hair regrowth treatments failed to reach initial forecasts because the product unfortunately penetrated the market for women's products slower than had been originally anticipated. Sales of the Pabron series of cold remedies were adversely affected from the second quarter, mainly due to delayed production caused by tight supply and demand of a raw material. Taisho has revised its first-half business forecasts to reflect these circumstances in the self-medication business.

Operating results for the full year

Taisho has revised some sales forecasts for the full year to reflect trends in the first half of the fiscal year. The sales forecast of Lipovitan D has been upwardly revised by ¥1,700 million, while forecasts for the RiUP series and Pabron series have been downwardly revised by ¥2,900 million and ¥2,300 million, respectively.

On the earnings side, although Taisho has reviewed expenses, R&D expenses, sales promotion costs and other expenses are expected to remain at roughly the same levels as initial forecasts. As a result, the full-year forecast has been downwardly revised. Forecasts for sales of prescription pharmaceutical products have not been revised because currently the business performance is generally meeting target figures.

(Note) The above forecasts were formulated based on information available as of the release date of this report. A number of subsequent factors may cause actual results to differ materially from these forecasts.