

March 24, 2006

To Whom It May Concern

Taisho Pharmaceutical Co., Ltd.
Yomeishu Seizo Co., Ltd.

Status and Outlook Regarding Business Partnership with Yomeishu Seizo

Taisho Pharmaceutical Co., Ltd. (Taisho; President: Akira Uehara) and Yomeishu Seizo Co., Ltd. (Yomeishu Seizo; President: Taro Shiozawa) agreed to establish a business partnership on July 11, 2005. The current status and outlook regarding this business partnership are as follows.

1. Current status

A partnership committee made up of representatives of both companies was established and is examining in detail a range of concrete initiatives, as detailed below, regarding the joint development of new products, the creation of markets by leveraging the unique characteristics of natural medicines, moves into the Chinese market and greater efficiency in marketing and retail store sales promotion.

(1) Joint development of new products

- ① Based on Yomeishu Seizo's *Sanka Yukyusui Isara* mineral water, the companies are working together on developing functional drinks using Yomeishu Seizo's expertise in natural medicines.
- ② The partners are jointly developing new nutrient drink and health food products using Taisho's development capabilities in nutrient drinks and Yomeishu Seizo's expertise in natural medicines.
- ③ Both companies are expanding Taisho's Library of Natural Medicines, comprising natural medicinal ingredients extracted from plants, by incorporating Yomeishu Seizo's knowledge of natural medicines. Taisho has mainly focused on strengthening the library's section on Western herbs. Now, by combining these resources with Yomeishu Seizo's accumulated expertise in Eastern natural medicines, the two companies will accelerate the identification of functional components in natural medicines and enhance the efficiency of product development.

(2) Greater efficiency in marketing

- ① Leveraging sales channels
 - The companies plan to sell Yomeishu Seizo's *Sanka Yukyusui Isara* mineral water through Taisho sales channels.
 - The companies plan to sell Taisho's Foods for Specified Health Use (FOSHU) and other products through Yomeishu Seizo's online shop *Yomeishu Honpo*.
- ② The companies are jointly developing retail store sales promotion strategies using Taisho's brand management expertise.

- ③ The partners are working together on PR activities for natural medicines, including organizing seminars on health issues.
- ④ Yomeishu Seizo will strengthen its marketing capabilities by tapping into Taisho's marketing expertise.

(3) Personnel exchanges

- ① Some Yomeishu Seizo research personnel will work in Taisho research facilities with the aim of bolstering product development.
- ② Some Taisho marketing personnel will work at Yomeishu Seizo to primarily provide training and ultimately help boost marketing efficiency.

Both companies are discussing and examining moves into the Chinese market from medium- and long-term perspectives.

2. Outlook

The partnership committee will continue to discuss various issues and work to increase the effectiveness of the partnership in the self-medication business field.