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For Immediate Release

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## Taisho to Purchase Shares in Mikasa Seiyaku

Taisho Pharmaceutical Co., Ltd. (Taisho) today announced that it has decided to purchase shares in pharmaceuticals firm Mikasa Seiyaku Co., Ltd. (Mikasa; Head office: Nerima Ward, Tokyo). The decision was reached at a meeting of the Company's Board of Directors held on July, 31, 2006. Details of the share purchase are found below.

### **1. Rationale behind the purchase**

Since April 2005, Taisho and Mikasa have pursued an alliance in sales of the topical anti-inflammatory analgesics SUMILU TAPE and SUMILU STICK, two prescription drug products containing the active ingredient felbinac manufactured by Mikasa. With a view to strengthening ties with Mikasa, Taisho, upon learning of the impending retirement of treasury stock by Mikasa, opted to instead purchase the company's shares.

### **2. Overview of the purchase**

- (1) Type of shares: Common stock of Mikasa Seiyaku Co., Ltd.
- (2) Number of shares: 500,000 shares
- (3) Purchase price: ¥682 per share

\*Price reflects the average price (rounded up to the nearest yen) of shares of Mikasa stock, based on closing prices for the company's stock on the JASDAQ for the one-month period beginning June 29, 2006 and ending July 28, 2006.

- (4) Total purchase cost: ¥341,000,000
- (5) Payment deadline: August 21, 2006

### **3. Outlook**

This share purchase is expected to have minimal impact on Taisho's business performance for the year ending March 31, 2007.