

November 9, 2006

To Whom It May Concern

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Taisho Sets Medium-term Business Targets and Plans

Taisho Pharmaceutical Co., Ltd. has announced that its Board of Directors today approved the following business targets and plans for the medium term ending in fiscal 2012, the 100th anniversary of Taisho's founding.

1. Fiscal 2012 targets for net sales and recurring income

(1) Net sales

1) Target: At least ¥290 billion

2) Projected progress to target: From the current fiscal year (ending March 31, 2007), net sales are projected to decline slightly or remain level, and then rise.

(2) Recurring income

1) Target: Ratio to net sales of 15%

2) Projected progress to target: Taisho anticipates an upturn in recurring income in line with the projected rise in net sales, although some decreases may ensue over the next several fiscal periods due to research and development expenses for the licensing-in of development-stage prescription pharmaceuticals and for other purposes.

2. Expansion of self-medication business

Taisho will:

(1) Promote new businesses and expand new drug efficacies (including switch-OTC drugs and Western herbal remedies).

To advance these aims, the *Self-Medication New Business Development Section* was established today.

(2) Expand the mail order and direct sales business by launching a new brand of Foods for Specified Health Use (FOSHU) and other health foods.

3. Expansion of prescription pharmaceutical business

Taisho will:

(1) Promote marketing activities in key business domains that focus on infectious diseases, inflammation and immunization.

(2) Extend the life cycle of *Clarith* and other mainstay products.

4. Promotion of research and development

Taisho will:

(1) Expand the health and beauty research functions of the self-medication business.

(2) Focus the development of prescription pharmaceutical products on the key domains of CNS, diabetes, allergies and infectious diseases.

(3) Continue to develop proprietary products, licensed products and jointly developed products, aiming to bring them to market as early as possible.