

October 10, 2007

For Immediate Release

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## Taisho Revises Earnings Forecasts for FY2007 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 2007. The previous forecasts were announced on May 15, 2007.

### 1. Consolidated Forecasts of Business Results

First Half Fiscal 2007 (April 1, 2007 to September 30, 2007)

(Millions of yen, %)

	Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	119,000	12,500	14,500	9,000
Revised Forecast (B)	120,500	18,500	21,500	13,500
Change (B-A)	1,500	6,000	7,000	4,500
Change (%)	1.3%	48.0%	48.3%	50.0%
First Half Fiscal 2006	121,971	14,717	16,423	12,329

Full Year Fiscal 2007 (April 1, 2007 to March 31, 2008)

(Millions of yen, %)

	Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	240,500	23,000	28,500	17,500
Revised Forecast (B)	243,500	29,500	35,500	22,000
Change (B-A)	3,000	6,500	7,000	4,500
Change (%)	1.2%	28.3%	24.6%	25.7%
Full Year Fiscal 2006	242,071	22,357	24,926	15,420

## 2. Non-Consolidated Forecasts of Business Results

First Half Fiscal 2007 (April 1, 2007 to September 30, 2007)

(Millions of yen, %)

	Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	96,500	12,000	14,500	9,000
Revised Forecast (B)	97,000	17,000	20,000	13,000
Change (B-A)	500	5,000	5,500	4,000
Change (%)	0.5%	41.7%	37.9%	44.4%
First Half Fiscal 2006	98,509	14,374	16,823	10,700

Full Year Fiscal 2007 (April 1, 2007 to March 31, 2008)

(Millions of yen, %)

	Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	194,000	21,500	27,500	18,000
Revised Forecast (B)	195,500	28,000	34,500	22,500
Change (B-A)	1,500	6,500	7,000	4,500
Change (%)	0.8%	30.2%	25.5%	25.0%
Full Year Fiscal 2006	194,356	21,507	27,527	16,749

## 3. Reasons for the Revision

### *Operating results for the first half of fiscal 2007*

Sales in the Self-Medication Operation Group were largely in line with forecasts, mainly due to firm sales of the mainstay *Lipovitan* series of energy drinks.

Sales in the Prescription Pharmaceutical Operation Group are projected to exceed initial forecasts to some degree.

On the earnings front, first-half forecasts have been revised to reflect the fact that interim operating income, ordinary income and net income are projected to exceed initial forecasts. This is because some R&D expenses, advertising expenses and other expenses scheduled for the first half of fiscal 2007 have been moved back to the second half of the fiscal year, and sales promotion expenses and other administrative expenses were less than initial estimates.

*Operating results for the full year*

Full-year sales and earnings forecasts have been raised to reflect progress achieved in the first half of the fiscal year and a review of expenses.

(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.