

November 27, 2007

To Whom It May Concern

Company: Taisho Pharmaceutical Co., Ltd.  
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## Taisho and Taisho Business Research Institute Sign a Summary Absorption-type Merger Agreement

Taisho Pharmaceutical Co., Ltd. has announced that its Board of Directors today passed a resolution to conduct a summary absorption-type merger of the Taisho Business Research Institute Co., Ltd., a wholly owned subsidiary, as detailed below. The effective date of this merger will be January 1, 2008.

Because this merger is a simple merger through absorption of a consolidated subsidiary, some details have not been disclosed in this announcement.

### 1. Purpose of Merger

The Taisho Business Research Institute, for which Taisho is the parent company with 100% ownership, provides various outsourced business services for Taisho and Taisho Group companies. These services mainly comprise information and clerical processing services, and research surveys. To stay on top of recent changes in the operating environment of the Taisho Group, and increase the efficiency of Group management, Taisho decided to absorb the Taisho Business Research Institute, effective as of January 1, 2008.

### 2. Overview of Merger

#### (1) Merger Schedule

Approval of merger by meeting of the Board of Directors	November 27, 2007
Signing of merger agreement	November 27, 2007
Approval of merger by General Meeting of Shareholders	
Taisho Pharmaceutical Co., Ltd. (Surviving company)	Because the merger is a simple merger based on the provisions of Article 796 Paragraph 3 of the Japanese Corporation Act, a General Meeting of Shareholders to approve the merger agreement will not be held.
Taisho Business Research Institute Co., Ltd. (Company to be absorbed)	Because the merger is a summary merger based on the provisions of Article 784 Paragraph 1 of the Japanese Corporation Act, a General Meeting of Shareholders to approve the merger agreement will not be held.
Date of merger (Effective date of merger)	January 1, 2008 (Provisional)
Date of share-certificate issue	Share certificates will not be issued.

## (2) Merger Method

Using the absorption-type merger method, Taisho, the surviving company, will merge with the Taisho Business Research Institute, which will be dissolved.

## (3) Handling of share warrants and bonds with share warrants of the company to be absorbed

There are no share warrants or bonds with share warrants as regards the Taisho Business Research Institute.

### 3. Overview of the Merging Companies\*

1) Name	Taisho Pharmaceutical Co., Ltd. (Surviving company)		Taisho Business Research Institute Co., Ltd. (Company to be absorbed)
2) Business lines	Manufacture and sale of pharmaceuticals and other products		Information and clerical processing services, and research surveys
3) Establishment	May 5, 1928		July 2, 1999
4) Head office	24-1, Takada 3-chome, Toshima-ku, Tokyo, Japan		24-1, Takada 3-chome, Toshima-ku, Tokyo, Japan
5) Representative	Akira Uehara, President		Hisataka Hotta, President
6) Capital	¥29,804 million		¥50 million
7) Issued and outstanding shares	320,465,510 shares		1,000 shares
8) Net assets	¥547,486 million (consolidated)		¥991 million (non-consolidated)
9) Total assets	¥631,929 million (consolidated)		¥1,348 million (non-consolidated)
10) Fiscal year-end	March 31		December 31
11) Main shareholders	The Uehara Memorial Foundation	13.42%	Taisho Pharmaceutical Co., Ltd. 100%
	Shoji Uehara	11.43%	
	Sumitomo Chemical Co., Ltd.	3.79%	
	Northern Trust Company (AVFC) Sub-Account American Client	3.50%	
	Mellon Bank Treaty Clients Omnibus	3.22%	
	Sumitomo Mitsui Banking Corporation	3.12%	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.12%	
	Uehara Museum of Modern Art Foundation	3.12%	
	Akira Uehara	2.23%	
	Kajima Corporation	1.72%	
	**Excluding treasury stock		

\*Information in above table is as of March 31, 2007 for the surviving company, and as of December 31, 2006 for the company to be absorbed.

#### 4. Post-merger Status

1) Name	Taisho Pharmaceutical Co., Ltd.
2) Business lines	Manufacture and sale of pharmaceuticals and other products
3) Head office	24-1, Takada 3-chome, Toshima-ku, Tokyo, Japan
4) Representative	Akira Uehara, President
5) Capital	The merger will not result in an increase of capital.
6) Fiscal year-end	March 31
7) Future outlook	The merger will have a negligible impact on Taisho's non-consolidated results for the fiscal year ending March 31, 2008. Moreover, because the merger is with a consolidated subsidiary, it will have no impact on Taisho's consolidated results for the fiscal year ending March 31, 2008.