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For Immediate Release

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Taisho Revises Earnings Forecasts for FY2007 Full Year

Taisho Pharmaceutical Co., Ltd. announced that, based on recent business trends, it has revised its earnings forecasts for the full year of fiscal 2007. The previous forecasts were announced on October 10, 2007.

1. Consolidated Forecasts of Business Results

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

(Millions of yen, %)

	Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	243,500	29,500	35,500	22,000
Revised Forecast (B)	248,500	35,500	41,500	26,000
Change (B-A)	5,000	6,000	6,000	4,000
Change (%)	2.1%	20.3%	16.9%	18.2%
Full Year Fiscal 2006	242,071	22,357	24,926	15,420

2. Non-Consolidated Forecasts of Business Results

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

(Millions of yen, %)

	Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	195,500	28,000	34,500	22,500
Revised Forecast (B)	200,500	33,500	39,500	26,000
Change (B-A)	5,000	5,500	5,000	3,500
Change (%)	2.6%	19.6%	14.5%	15.6%
Full Year Fiscal 2006	194,356	21,507	27,527	16,749

3. Reasons for the Revision

– *Operating results for the full year*

The previous forecasts were revised as follows, taking into account actual sales in the third quarter and the projected sales in the fourth quarter (January to March 2008).

– *Self-Medication Operation Group*

The sales forecast for the Self-Medication Operation Group for Fiscal 2007 was revised upward from ¥149.8 billion to ¥152.3 billion.

The sales forecast for the *Lipovitan* series, our mainstay energy drinks, was revised upward from ¥73.2 billion to ¥75.5 billion. The revision was mainly due to steady sales of *Lipovitan D* at stores and brisk sales of *Lipovitan fine*, for which Taisho has enhanced sales efforts at convenience stores.

The sales forecast for the *Pabron* series of cold remedies was revised upward to ¥23.0 billion, an increase of ¥0.5 billion, in view of the effect of the market release of the new product *Pabron Ace AX*. The sales forecast for the *RiUP* series of hair regrowth treatments was also revised upward to ¥10.3 billion, an increase of ¥0.2 billion, in view of the effect of the market release of the new product *RiUP PLUS*.

– *Prescription Pharmaceutical Operation Group*

The sales forecast for the Prescription Pharmaceutical Operation Group for Fiscal 2007 was revised upward from ¥93.7 billion to ¥96.2 billion.

Sales of products at Taisho Toyama Pharmaceutical Co., Ltd., and its core products such as the macrolide antibiotic *Clarith* in particular, have been almost exactly as planned. Sales of its new product, a quinolone antibacterial agent *Geninax*, have been robust. However, the forecast for sales at the subsidiary was not revised because sales could be affected by the reluctance of medical institutions to buy products during the period prior to the revision of NHI drug prices.

Meanwhile, the forecast of royalty income for Fiscal 2007 was revised upward by ¥2.5 billion to ¥3.9 billion, in view of the lump-sum proceeds posted from an agreement between the US-based Pfizer Inc. and Taisho regarding the out-licensing of development candidate substance.

– On the earnings front, total of selling, general & administrative expenses is expected to drop below the previous forecast, due to cost review centering on sales promotion and R&D expenses in addition to the upward revision of net sales. In response to this, the earnings forecasts were revised upward from the previous forecast.

(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.