

March 12, 2008

For Immediate Release

Company: Taisho Pharmaceutical Co., Ltd.  
Representative: Akira Uehara, President  
(First Section of TSE: Code 4535)  
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### **Biofermin Pharmaceutical Share Acquisition and Consolidation**

Taisho Pharmaceutical Co., Ltd. (hereafter the “Company” or the “Tender Offeror”) has announced that at a meeting held on February 12, 2008, the Board of Directors passed a resolution to acquire shares in Biofermin Pharmaceutical Co., Ltd. (Code: 4517; First Section, Osaka Securities Exchange; hereafter the “Target”) by means of a tender offer (hereafter the “Tender Offer”). The Tender Offer began on February 13, 2008, and came to a successful conclusion on March 11, 2008. Furthermore, as a result of the Tender Offer’s conclusion, the Target will become a consolidated subsidiary of the Company on the settlement commencement date (March 19, 2008).

Details follow below.

#### **I. Result of Tender Offer**

##### **1. Overview of Tender Offer, etc.**

(1) Name of Target

Biofermin Pharmaceutical Co., Ltd.

(2) Total number of shares scheduled to be purchased

| Type of shares                    | [1] Total number of shares scheduled to be purchased | [2] Tender Offer Minimum | [3] Tender Offer Maximum |
|-----------------------------------|--|--------------------------|--------------------------|
| Share Certificates (common stock) | 7,535,500 shares                                     | 4,884,100 shares         | 7,535,500 shares         |

Notes:

1. No shares shall be purchased under the terms of the Tender Offer if the total number of shares

tended for purchase falls short of the minimum number of shares to be purchased (4,884,100 shares).

2. If the total number of shares tendered exceeds the maximum number of shares to be purchased (“Tender Offer Maximum”) (7,535,500 shares), the Company will not acquire all or part of the shares in excess of the Tender Offer Maximum. In such a case, the Company will handle the delivery of shares related to share purchases, etc., and other settlement matters based on the proportional distribution (pro rata) method specified in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended) and Article 32 of the Cabinet Ordinance Concerning the Disclosure of Tender Offers for Stock, Etc. by Persons Other than Issuers (Ministry of Finance Ordinance No. 38 of 1990, as amended). (In the event that the number of shares tendered by a shareholder includes shareholdings less than a trading unit (100 shares), the upper limit for the number of shares to be purchased as determined by the proportional distribution (pro rata) method shall be the number of shares tendered by the shareholder.)

3. Shares less than the trading unit are also subject to the Tender Offer, provided that share certificates are submitted when tendered. However, there is no need to submit share certificates held in custody of Japan Securities Depository Center Inc. through the Tender Offer Agent or Sub-agent. In addition, if shareholders exercise their right under the Companies Act to request that the Target purchase shareholdings less than the trading unit, the Target may purchase its own shares up to the end of the Tender Offer Period in accordance with procedures stipulated in laws and regulations.

4. The Tender Offeror does not plan to acquire the treasury shares owned by the Target through this Tender Offer.

(3) Tender offer period

From February 13, 2008 (Wed) to March 11, 2008 (Tue) (20 business days)

(4) Tender offer price

3,620 yen per share of common stock

## 2. Result of Tender Offer, etc.

### (1) Details of Tender

| Type of shares  | Total number of shares scheduled to be purchased | Tender Offer Maximum | Tender Offer Minimum | Total shares tendered | Total shares purchased |
|---|--|----------------------|----------------------|-----------------------|------------------------|
| Share certificates (common stock)                           | 7,535,500 shares                                 | 7,535,500 shares     | 4,884,100 shares     | 6,659,701 shares      | 6,659,701 shares       |
| Securities with share acquisition rights                    | --   | --                   | --                   | --                    | --                     |
| Corporate bonds with share acquisition rights               | --   | --                   | --                   | --                    | --                     |
| Trust beneficiary certificates for share certificates, etc. | --   | --                   | --                   | --                    | --                     |
| Depository receipt certificate for share certificates, etc. | --   | --                   | --                   | --                    | --                     |
| Total   | 7,535,500 shares                                 | 7,535,500 shares     | 4,884,100 shares     | 6,659,701 shares      | 6,659,701 shares       |

(2) Outcome of Tender Offer

The total number of shares tendered (6,659,701 shares) exceeded the Tender Offer Minimum (4,884,100 shares) but fell below the Tender Offer Maximum (7,535,500 shares). Therefore, all shares tendered were purchased, as per the announcement of the commencement of the Tender Offer and in the Tender Offer Statement (*Kokai Kaitsuke Todokedesho*).

(3) Shareholdings after successful conclusion of Tender Offer

|  |         |   |
|--|---------|---|
| No. of voting rights in relation to shares owned by Tender Offeror before the Tender Offer           | Nil     | (Shareholding before the Tender Offer: 0.00%) |
| No. of voting rights in relation to shares owned by specific related parties before the Tender Offer | Nil     | (Shareholding before the Tender Offer: 0.00%) |
| No. of voting rights in relation to shares owned by Tender Offeror after the Tender Offer            | 66,597  | (Shareholding after the Tender Offer: 56.93%) |
| No. of voting rights in relation to shares owned by specific related parties after the Tender Offer  | Nil     | (Shareholding after the Tender Offer: 0.00%)  |
| No. of voting rights held by all shareholders of the Target  | 116,759 |   |

Notes:

1. “No. of voting rights held by all shareholders of the Target” represents the total number of voting rights (based on 100 shares per trading unit) as stated in the interim business report filed by the Target for the 122nd Fiscal Term (date of filing: December 20, 2007). However, since amounts of shares less than the minimum trading unit are also eligible for purchase under the terms of the Tender Offer, the calculation of shareholdings before and after the Tender Offer is based on a figure for total voting rights held by all shareholders of the Target of 116,981. The additional 222 voting rights contained in the latter figure correspond to 22,275 shares, which equals the total number of shares less than the minimum trading unit as stated in the aforementioned interim business report (22,300 shares), less the number of shares less than the minimum trading unit of treasury stock owned by the Target as shown in the said interim business report (25 shares), which will not be purchased under the Tender Offer.

2. The shareholdings before and after the Tender Offer have been rounded to two decimal places.

(4) Calculation when shares purchased by proportional distribution (pro rata) method

Not applicable.

(5) Funds needed for Tender Offer, etc.

¥24,108 million

(6) Settlement method

[1] Name and address of head office of banks and/or financial brokerages settling the Tender Offer

Daiwa Securities SMBC Co., Ltd.

9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Daiwa Securities Co., Ltd.

9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

[2] Settlement commencement date

March 19, 2008 (Wed)

[3] Settlement Method

Immediately after the end of the Tender Offer Period, notifications of purchase under the Tender Offer shall be sent by post to the domicile of all tendering shareholders (or to the domicile of the standing proxy in the case of overseas shareholders).

The purchase shall be settled in cash. In line with the instructions provided by tendering shareholders, without delay and starting on the settlement commencement date, the Tender Offer Agent or Sub-agent shall remit payment for share certificates purchased to the location designated by the tendering shareholders. Alternatively, payment shall be made at the head office or branch office of the Tender Offer Agent or Sub-agent where the corresponding Tender Offer application was received.

### **3. Post-Tender Offer policy and outlook**

As a result of the successful conclusion of the Tender Offer, the Target will become a consolidated subsidiary of the Company on the settlement commencement date (March 19, 2008).

The Company will take a variety of measures to maximize the corporate value of the Target over the medium to long term. At this stage, the Company intends to build a personnel relationship between itself and the Target via procedures like the secondment of Company directors. However, it has no plans to make significant changes to the composition of Target's directors.

The Target's shares are listed on the First Section of the Osaka Securities Exchange, and the

Company's policy is to continue this listing. At this stage, the Company has no plans to acquire any additional shares of the Target. Moreover, the successful conclusion of the Tender Offer will have a negligible impact on the Company's consolidated and non-consolidated operating results.

#### **4. Locations where copies of the Tender Offer Report are available for public inspection**

Taisho Pharmaceutical Co., Ltd.  
(3-24-1, Takada, Toshima-ku, Tokyo)  
Osaka Securities Exchange Co., Ltd.  
(1-8-16, Kitahama, Chuo-ku, Osaka)

## **II. Change of Subsidiary**

As a result of the successful conclusion of the Tender Offer, the Company holds a 56.93% voting rights ratio in the Target. Therefore, the Target will become a consolidated subsidiary on March 19, 2008.

### **1. Overview of company to become subsidiary**

(1) Company name

Biofermin Pharmaceutical Co., Ltd.

(2) Representative

Takahito Ohnishi, President

(3) Location

5-5, Sanban-cho, Nagata-ku, Kobe, Hyogo Prefecture, Japan

(4) Date established

February 12, 1917

(5) Main business activities

Manufacture and sale of pharmaceuticals, quasi-drugs and foods

(6) Fiscal year-end

March 31

(7) Number of employees

144 (as of September 30, 2007)

(8) Paid-in capital

1,227 million yen (as of September 30, 2007)

(9) Number of shares issued

12,154,000 (as of September 30, 2007)

(10) Major shareholders and shareholding ratios (as of September 30, 2007)

|  |        |
|--|--------|
| T-ZONE Capital Inc.  | 38.28% |
| Takeda Pharmaceutical Co., Ltd                               | 10.01% |
| Japan Trustee Services Bank, Ltd. (Trust Account)            | 6.73%  |
| Hideo Hosomi   | 2.26%  |
| Kazunori Teratani  | 1.41%  |
| Kumiko Kouzu   | 1.21%  |
| Takahito Ohnishi   | 1.00%  |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd.                       | 0.78%  |
| Biofermin Pharmaceutical Employees' Shareholding Association | 0.73%  |
| Yukiko Hosomi  | 0.54%  |
| Asako Teratani   | 0.54%  |

Note: T-ZONE Capital Inc. changed its name to TZCS Inc. on October 10, 2007.

(11) Business performance in last two fiscal years

| Fiscal year ended:                  | March 31, 2006 | March 31, 2007 |
|-------------------------------------|----------------|----------------|
| Net sales (thousands of yen)        | 7,298,055      | 7,757,154      |
| Gross profit (thousands of yen)     | 5,145,972      | 5,542,555      |
| Operating income (thousands of yen) | 1,567,318      | 1,596,914      |
| Recurring profit (thousands of yen) | 1,594,921      | 1,655,806      |
| Net income (thousands of yen)       | 978,250        | 962,998        |
| Total assets (thousands of yen)     | 19,645,596     | 20,686,687     |
| Net assets (thousands of yen)       | 15,549,708     | 16,218,019     |
| Dividend per share (yen)            | 32.00          | 52.00          |

**2. Date of Change of Subsidiary**

Wednesday, March 19, 2008.