

October 1, 2008

To Whom It May Concern

Company: Taisho Pharmaceutical Co., Ltd.
Representative: Akira Uehara, President
(First Section of TSE: Code 4535)
Contact: Masaki Tsuboi, General Manager,
Public Relations Section
(Tel: +81-3-3985-1115)

**Notice Concerning Loss on Devaluation of Affiliated Companies' Securities
and Loss on Devaluation of Investment Securities**

Taisho Pharmaceutical Co., Ltd. (hereafter the "Company") has announced that it must book a loss on devaluation of affiliated companies' securities and loss on devaluation of investment securities because the market value of certain affiliated companies' securities and investment securities held by the Company had fallen substantially as of the end of the second quarter of the fiscal year ending March 31, 2009.

1. Total amount of loss on devaluation of affiliated companies' securities and loss on devaluation of investment securities (non-consolidated)

(A) Total amount of loss on devaluation of affiliated companies' securities and loss on devaluation of investment securities at the end of the second quarter of the fiscal year ending March 31, 2009	¥13,571 million
(B) Amount of net assets for fiscal year ended March 31, 2008 (A/B x 100)	¥547,234 million (2.5%)
(C) Amount of ordinary income for fiscal year ended March 31, 2008 (A/B x 100)	¥40,122 million (33.8%)
(D) Amount of net income for fiscal year ended March 31, 2008 (A/B x 100)	¥25,910 million (52.4%)

2. Total amount of one-time write-off of goodwill and loss on devaluation of investment securities (consolidated)

(A) Total amount of one-time write-off of goodwill and loss on devaluation of investment securities at the end of the second quarter of the fiscal year ending March 31, 2009	¥13,315 million
(B) Amount of net assets for fiscal year ended March 31, 2008 (A/B x 100)	¥548,650 million (2.4%)
(C) Amount of ordinary income for fiscal year ended March 31, 2008 (A/B x 100)	¥41,896 million (31.8%)
(D) Amount of net income for fiscal year ended March 31, 2008 (A/B x 100)	¥25,004 million (53.3%)

3. Details of loss on devaluation of affiliated companies' securities and loss on devaluation of investment securities

(1) Non-consolidated

1) Loss on devaluation of affiliated companies' securities as regards Biofermin Pharmaceutical Co., Ltd.

The share price at the end of the second quarter of the fiscal year ending March 31, 2009 of Biofermin Pharmaceutical Co., Ltd., a consolidated subsidiary of the Company, has fallen below half the book value in the Company's accounts. As a result, the Company will book a loss on devaluation of affiliated companies' securities of ¥13,069 million as an extraordinary loss.

2) Other

The share prices of some listed shares (investment securities) held by the Company have fallen below half their respective book values. As a result, the Company will book a loss on devaluation of investment securities for these shares of ¥502 million as an extraordinary loss.

(2) Consolidated

1) One-time write-off of goodwill as regards Biofermin Pharmaceutical Co., Ltd.

Accompanying the booking of a loss on devaluation of affiliated companies' securities for Biofermin Pharmaceutical Co., Ltd. in the non-consolidated accounts, the Company expects to book a one-time write-off of goodwill as regards Biofermin Pharmaceutical of ¥12,812 million as an extraordinary loss in the consolidated accounts.

2) Other

Accompanying the booking of the loss described in "2) Other" of "(1) Non-consolidated" above, the Company will book a loss on devaluation of investment securities of ¥502 million as an extraordinary loss.

4. Future prospects

As described above, the Company will incur an extraordinary loss of ¥13,571 million in the non-consolidated accounts for the first half of the fiscal year ending March 31, 2009, and an extraordinary loss of ¥13,315 million in the consolidated accounts for the same period. As a result, the Company projects that both interim and full-year net income for the fiscal year ending March 31, 2009 will fall substantially short of the previous forecasts.

As regards net sales, operating income and net income, as of now the Company projects no substantial changes from previous forecasts. However, the Company is currently compiling these results, and intends to disclose the details as soon as they are determined.

The Company will not change its current policy regarding the payment of dividends.