

July 30, 2010

To Whom It May Concern

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

**Discontinuation of Development of TS-022
for Treatment of Atopic Dermatitis with Pruritus**

Taisho Pharmaceutical Co., Ltd. today announced the decision to discontinue the development of TS-022, an investigational compound studied for the treatment of atopic dermatitis with pruritus.

TS-022, a derivative of prostaglandin, had been under development on Phase 2 clinical study for the above-mentioned indication. However, TS-022 failed to demonstrate the anticipated level of effectiveness in the study conducted outside of Japan.

Consequently, Taisho has made the decision to discontinue the domestic and international development of TS-022 based on thorough review of clinical results available to date.