

Reference Data

1st Half - Fiscal Year 2005

Consolidated Earnings

- Consolidated Financial Data P1
- Consolidated Balance Sheets P2
- Consolidated P/L Statement P4
- Consolidated Sales Breakdown by Category P5
- Consolidated Operating Income by Category P5
- Sales of Taisho Toyama Pharmaceutical P5
- Consolidated Sales of Leading Products P6
- Capital Expenditure P7
- R&D Expenses P7
- Subsidiaries and Affiliates P8

Non-consolidated Earnings

- Non-consolidated Financial Data P9
- Non-consolidated Sales Breakdown by Category P10
- Non-consolidated Sales Breakdown by Therapeutic Category P10
- Capital Expenditure P10
- Shareholders Information P11

New Drug Development/New Products

- New Drug Development P12
- Launch of New Products P14



Consolidated Financial Data

(Yen Million)

	FY2004(Mar. 05)		FY2005(Mar. 06)			(previous)
	1H	Full year	1Q	1H	New Full year E	FY2005 Est.
Net Sales	140,367	279,437	57,451	134,320	269,000	280,000
(YOY%)	(-4.0%)	(-2.4%)	(-6.5%)	(-4.3%)	(-3.7%)	(0.2%)
Self-Medication operations	94,351	183,416	34,713	86,918	174,200	184,500
Prescription Pharmaceutical operations	46,016	96,020	22,738	47,402	94,800	95,500
Gross profit	98,282	194,582	39,692	93,088	184,750	192,080
Selling, general and administrative expenses	67,235	139,883	32,526	67,503	140,250	143,580
Research and development expenses	10,673	23,221	5,696	11,635	24,500	24,500
(% Sales)	(7.6%)	(8.3%)	(9.9%)	(8.7%)	(9.1%)	(8.8%)
Advertising expenses	8,914	17,273	4,639	8,355	16,600	17,300
Sales promotion expenses	11,981	28,247	5,232	12,267	29,000	29,500
Personnel expenses	16,931	33,935	-	16,802	34,000	-
Operating income	31,046	54,698	7,165	25,585	44,500	48,500
(YOY%)	(-2.2%)	(-5.2%)	(-35.2%)	(-17.6%)	(-18.6%)	(-11.3%)
Recurring income	34,093	58,063	8,154	26,321	47,500	51,500
(YOY%)	(1.0%)	(-5.1%)	(-40.7%)	(-22.8%)	(-18.2%)	(-11.3%)
Net income	20,782	35,489	4,247	15,559	34,000	35,500
(YOY%)	(5.7%)	(-13.3%)	(-52.2%)	(-25.1%)	(-4.2%)	(0.0%)
EPS (yen)	66.59	114.15	13.78	50.47	110.07	114.91
Capital expenditure	2,751	7,074	1,792	6,434	13,200	13,200
Depreciation and amortization	6,524	13,501	3,053	6,216	13,200	13,200
Total assets	603,668	613,802	604,688	624,743	643,000	630,000
Shareholders' equity	504,262	517,634	514,293	535,987	554,000	534,000
Return on equity(%) (* 1)	-	7.0%	-	-	6.4%	6.8%
Return on assets(%) (* 1)	-	5.8%	-	-	5.5%	5.7%
Equity ratio(%)	83.5%	84.3%	85.1%	85.8%	86.2%	84.8%
Overseas sales ratio	-	3.5%	4.2%	3.8%	2.8%	2.9%
Number of employees	5,378	5,339	-	5,220	-	-

Consolidated Balance Sheets

(Yen million)

	End of March 05		End of Sept. 05		change
		% total		% total	
(Assets)					
Current assets:					
Cash and deposits	147,265		119,615		-27,649
Notes and accounts receivable-trade	78,920		78,580		-340
Marketable securities	11,267		5,290		-5,976
Inventories	22,905		25,218		2,313
Deferred tax assets	8,132		8,106		-25
Others	5,286		5,053		-232
Sub-total	273,776		241,865		-31,910
Allowance for doubtful accounts	-631		-584		47
Total current assets	273,144	44.5%	241,281	38.6%	-31,863
Fixed assets:					
(1) Tangible fixed assets:					
Buildings and structures	51,001		51,275		273
Machinery and equipment	11,015		10,401		-614
Land	27,230		27,232		2
Construction in progress	1,387		3,295		1,907
Others	5,635		5,333		-302
Total tangible fixed assets	96,270	(15.7%)	97,538	(15.6%)	1,267
(2) Intangible fixed assets:					
Goodwill	180		150		-30
Trademarks	8,886		7,716		-1,169
Software	3,957		3,805		-151
Adjustment account for consolidation	27		18		-9
Others	192		195		2
Total intangible fixed assets	13,244	(2.1%)	11,885	(1.9%)	-1,358
(3) Investments and other assets:					
Investments in securities	215,785		265,356		49,571
Long-term prepaid expenses	3,538		3,157		-380
Deferred tax assets	8,695		2,208		-6,486
Others	3,357		3,557		199
Sub-total	231,376		274,280		42,904
Allowance for doubtful receivables-long term	-232		-241		-8
Total investments and other assets	231,143	(37.7%)	274,039	(43.9%)	42,895
Total fixed assets	340,658	55.5%	383,462	61.4%	42,804
Total assets	613,802	100.0%	624,743	100.0%	10,941

< Major reasons for changes in selected items >

Marketable securities down ¥5.9 billion

(Bond redemptions; -¥9.5 billion, reclassification from investments in securities; +¥3.2 billion)

Construction in progress up ¥1.9 billion

(Increase of ¥1.8 billion at pharmaceutical manufacturing building no. 2 at the Omiya factory)

Trademarks down ¥1.1 billion (Due to amortization)

Investments in securities up ¥49.5 billion

(Purchase of bonds; +¥28.3 billion, purchase of shares; +¥10.1 billion)

Deferred tax assets (long-term) down ¥6.4 billion

(Decrease of ¥6.5 billion due to growth in unrealized gains on securities)

Consolidated Balance Sheets

(Yen million)

	End of March 05		End of Sept. 05		change
		% total	(当期)	% total	
Current liabilities:					
Notes and accounts payable-trade	20,370		23,057		2,687
Short-term loans	205		305		100
Accounts payable	12,927		11,790		-1,137
Accrued corporate tax	9,486		10,777		1,290
Accrued expenses	8,386		5,611		-2,775
Adjustment allowance for returns	615		902		286
Allowance for bonuses	3,337		3,994		656
Others	1,014		1,391		376
Total current liabilities	56,344	9.2%	57,829	9.3%	1,485
Long-term liabilities:					
Reserves for retirement benefits	34,506		19,601		-14,905
Reserves for directors' retirement payments	1,527		1,539		12
Deferred taxes liabilities	27		27		0
Others	2,483		8,494		6,011
Total long-term liabilities	38,543	6.3%	29,663	4.7%	-8,880
Total liabilities	94,888	15.5%	87,493	14.0%	-7,394
(Minority interest)					
Minority interest	1,279	0.2%	1,262	0.2%	-17
(Shareholders' equity)					
Common stock	29,804	4.9%	29,804	4.8%	-
Additional paid-in capital	14,935	2.4%	14,935	2.4%	-
Retained earnings	506,797	82.5%	494,681	79.2%	-12,115
Unrealized gain on securities	13,951	2.3%	23,950	3.8%	9,999
Foreign currency adjustment accounts	-4,905	-0.8%	-4,215	-0.7%	690
Treasury stock	-42,947	-7.0%	-23,168	-3.7%	19,778
Total shareholders' equity	517,634	84.3%	535,987	85.8%	18,353
Total liabilities, minority interest, and shareholders' equity	613,802	100.0%	624,743	100.0%	10,941

< Major reasons for changes in selected items >

Reserves for retirement benefits down ¥14.9 billion

(¥6.4 billion contribution to cover shortfall in Taisho National Welfare Pension funding;

¥6.2 billion reclassification of liabilities to long-term liabilities)

Long-term liabilities (Others) up ¥6.0 billion

(Due to reclassification from reserves for retirement benefits of fixed retirement liabilities for employees transferred to Taisho Toyama Pharmaceutical and of portion of defined contribution pension plan not yet transferred)

Retained earnings down ¥12.1 billion

(Due to cancellation of ¥19.8 billion shares of treasury stock during the first half)

Treasury stock deduction down ¥19.7 billion

(Due to cancellation of ¥19.8 billion shares of treasury stock during the first half)

Consolidated P/L Statement

(Yen Million)

	FY2004/1H		FY2005/1H		YOY Change	FY2004 full year	
		% Sales		% Sales			% Sales
Net sales	140,367	100.0%	134,320	100.0%	-6,046	279,437	100.0%
Cost of sales	42,025	29.9%	40,945	30.5%	-1,079	84,762	30.3%
Gross profit on sales	98,342	70.1%	93,375	69.5%	-4,966	194,674	69.7%
Reversal of provision for sales returns	509	0.4%	615	0.5%	105	522	0.2%
Provision for sales returns	569	0.4%	902	0.7%	332	615	0.2%
Gross profit	98,282	70.0%	93,088	69.3%	-5,193	194,582	69.7%
Selling, general and administrative expenses	67,235	47.9%	67,503	50.3%	267	139,883	50.1%
Depreciation and amortization	3,069		3,104		35	6,278	
Research and development expenses	10,673		11,635		962	23,221	
Advertising expenses	8,914		8,355		-558	17,273	
Sales promotion expenses	11,981		12,267		285	28,247	
Others	32,598		32,142		-456	64,862	
Operating income	31,046	22.1%	25,585	19.0%	-5,461	54,698	19.6%
Non-operating income	3,171	2.3%	2,684	2.0%	-486	4,913	1.7%
Interest income	1,762		1,895		132	3,547	
Dividend income	212		331		119	299	
Rent income on real estate	56		53		-3	110	
Equity in earnings of unconsolidated	626		-		-626	-	
Others	513		404		-108	955	
Non-operating expenses	124	0.1%	1,948	1.4%	1,823	1,547	0.5%
Interest expenses	2		2		-0	4	
Investment loss in affiliates using the equity accounting method	0		1,148		1,148	649	
Others	122		798		676	893	
Recurring income	34,093	24.3%	26,321	19.6%	-7,771	58,063	20.8%
Extraordinary gains	330	0.3%	760	0.6%	430	669	0.2%
Profit on sales of investment securities	39		-		-39	39	
Profit on sales of fixed assets	7		1		-5	23	
Gain on transfer to defined contribution pension plan	-		759		759	-	
Others	283		-		-283	606	
Extraordinary losses	77	0.1%	628	0.5%	551	392	0.1%
Evaluation loss on investment securities	15		0		-14	72	
Loss on disposal of fixed assets	62		419		357	319	
Asset impairment loss	-		208		208	-	
Income before income taxes and minority interests	34,346	24.5%	26,453	19.7%	-7,892	58,341	20.9%
Corporate and inhabitants' taxes	13,385	9.6%	11,158	8.3%	-2,227	22,141	7.9%
Corporate tax adjustment	114	0.1%	-183	-0.1%	-297	483	0.2%
Minority interest gain (loss) of consolidated subsidiaries	63	0.0%	-80	-0.1%	-144	226	0.1%
Net income	20,782	14.8%	15,559	11.6%	-5,223	35,489	12.7%

< First-half highlights >

Cost of sales ratio increased from 29.9% to 30.5%

Ratio increased due to lower sales of Pabron, RiUP and other core products

SG&A expense ratio increased from 47.9% to 50.3%

R&D expenses were ¥11.6 billion (up ¥0.9 billion) due to progress in clinical trials,

but advertising expenses were ¥8.3 billion (down ¥0.5 billion) due to a review of the advertising budget

Non-operating income and expenses

Investment loss in affiliates using the equity accounting method was ¥1.1 billion (a yoy increase of ¥1.7 billion)

Extraordinary gains and losses

¥0.7 billion gain from transfer to defined contribution pension plan;

other items (no consumption tax exemption gain at Taisho Toyama Pharmaceutical vs. ¥0.2 billion gain one year earlier);

asset impairment loss of ¥0.2 billion (for facilities at Vietnam factory)

Consolidated Sales Breakdown by Category

(Yen Million)

	FY2004(Mar. 05)		FY2005(Mar. 06)			(May)
	1H	FY	1Q	1H	New Full Year E	FY2005 Est.
Self-Medication operations :	94,351	183,416	34,713	86,918	174,200	184,500
(YOY%)	(-5.0%)	(-2.5%)	(-12.9%)	(-7.9%)	(-5.0%)	(0.6%)
OTC products, etc.	88,949	172,404	32,280	82,090	164,000	172,900
Foods for Specified Health Use, etc.	3,913	7,840	1,830	3,565	8,000	8,600
Others	1,489	3,172	603	1,263	2,200	3,000
Prescription Pharmaceutical operations :	46,016	96,020	22,738	47,402	94,800	95,500
(YOY%)	(-2.1%)	(-2.4%)	(5.3%)	(3.0%)	(-1.3%)	(-0.5%)
Ethical drugs	39,055	81,688	18,880	39,862	82,000	82,500
Others*	4,702	9,391	2,664	5,066	9,800	10,300
Royalty income	2,259	4,941	1,194	2,474	3,000	2,700
Total	140,367	279,437	57,451	134,320	269,000	280,000

* Include Biopex

Consolidated Operating Income by Category

(Yen Million)

	FY2004(Mar. 05)		FY2005(Mar. 06)			(May)
	1H	FY	1Q	1H	New Full Year E	FY2005 Est.
Self-Medication operations	24,453	39,014	4,204	19,074	33,000	36,000
(YOY%)	(-5.7%)	(-10.1%)	(-45.0%)	(-22.0%)	(-15.4%)	(-7.7%)
Prescription Pharmaceutical operations	6,593	15,683	2,961	6,510	11,500	12,500
(YOY%)	(13.5%)	(9.6%)	(-13.4%)	(-1.3%)	(-26.7%)	(-20.3%)
Total	31,046	54,698	7,165	25,585	44,500	48,500

Sales of Taisho Toyama Pharmaceutical (consolidated subsidiary)

(Yen Billion)

	FY2004(Mar. 05)		FY2005(Mar. 06)			(May)
	1H	FY	1Q	1H	New Full Year E	FY2005 Est.
Taisho Toyama Pharmaceutical Sales	39.5	82.4	19.3	40.2	83.0	83.0
Taisho products	29.0	60.7	14.4	29.8	61.0	61.0
Toyama Chemical products	10.5	21.8	4.9	10.4	22.0	22.0

Consolidated Sales of Leading Products

(Yen Billion)

	FY2004(Mar. 05)		FY2005(Mar. 06)				(May)
	1H	FY	1Q	1H	YOY%	New Full Year E	FY2005 Est.
OTC products, etc.	88.9	172.4	32.3	82.1	-7.7%	164.0	172.9
Lipovitan series	53.8	95.1	19.8	51.3	-4.6%	92.8	93.4
Lipovitan D	40.3	70.8	15.1	39.4	-2.2%	69.7	67.8
Others	13.5	24.3	4.7	11.9	-11.8%	23.1	25.6
ZENA series	2.2	5.0	0.9	2.0	-8.8%	4.9	5.0
Cold remedies	11.6	27.3	3.1	9.2	-20.6%	24.9	27.2
RiUP series	6.4	13.5	2.0	6.0	-6.3%	12.5	15.4
Gastrointestinal treatments	2.2	4.9	0.9	2.1	-5.2%	4.8	4.5
Foods for Specified Health Use, etc.	3.9	7.8	1.8	3.6	-8.9%	8.0	8.6
Livita series	0.6	2.1	0.5	1.0	64.0%	2.5	2.5
Overseas drinks	2.2	4.3	1.0	2.1	-5.7%	4.2	4.7
Ethical drugs	39.1	81.7	18.9	39.9	2.1%	82.0	82.5
Clarith	11.4	27.4	5.7	12.0	5.0%	28.3	28.3
Palux	6.4	12.0	2.9	6.3	-0.2%	12.2	12.2
PENTCILLIN	3.3	6.5	1.6	3.4	3.0%	6.9	6.9
Lorcam	2.4	4.5	1.1	2.4	1.9%	4.8	4.8
TOMIRON	2.1	4.8	0.9	2.0	-6.0%	4.2	4.2
OZEX	1.4	3.3	0.7	1.5	11.4%	3.6	3.6
Metligine	1.2	2.2	0.5	1.1	-4.5%	2.3	2.3
LIMAS	1.2	2.3	0.6	1.2	4.2%	2.3	2.3
SOLOIN	1.1	2.1	0.5	1.0	-6.8%	2.2	2.2
LUPRAC	0.9	1.8	0.5	1.0	8.4%	2.1	2.1
PASIL	0.6	1.2	0.3	0.6	9.4%	1.4	1.4

Tonics and Nutrient Drinks: Sales Breakdown by Channel (parent basis)

(Yen Billion)

	FY2004(Mar. 05)		FY2005(Mar. 06)		
	1H	FY	1Q	1H	YOY%
Drug-oriented channels	30.4	54.6	10.7	27.5	-9.6%
Food-oriented channels	26.8	47.6	10.4	26.6	-0.8%
Total	57.2	102.1	21.0	54.1	-5.5%

Lipovitan D: Sales Breakdown by Channel (parent basis)

(Yen Billion)

	FY2004(Mar. 05)		FY2005(Mar. 06)		
	1H	FY	1Q	1H	YOY%
Drug-oriented channels	19.0	33.2	7.0	18.4	-3.1%
Food-oriented channels	21.3	37.6	8.1	21.0	-1.4%
Total	40.3	70.8	15.1	39.4	-2.2%

Capital Expenditure (Breakdown by Area)

(Yen million)

	FY2004(Mar. 05)		FY2005(Mar. 06)				(May)
	1H	FY	1Q	1H	YOY%	New Full Year E	FY2005 Est.
Total capital expenditure	2,751	7,074	1,792	6,434	133.9%	13,200	13,200
Omiya Factory	302	792	440	2,673	785.1%	6,500	6,500
Hanyu Factory	44	144	0	21	-52.3%	200	200
Okayama Factory	-	46	26	1,414	-	2,600	2,600
Research Center	544	1,958	127	409	-24.8%	1,300	1,300
Others	1,861	4,134	1,199	1,917	3.0%	2,600	2,600

R&D Expenses

(Yen million)

	FY2004(Mar. 05)		FY2005(Mar. 06)				(May)
	1H	FY	1Q	1H	YOY%	New Full Year E	FY2005 Est.
Total R&D expenses	10,673	23,221	5,696	11,635	9.0%	24,500	24,500
Self-Medication operations	2,769	6,674	1,614	3,159	14.1%	7,800	7,800
Prescription Pharmaceutical operations	7,903	16,547	4,082	8,476	7.3%	16,700	16,700

Subsidiaries and Affiliates

Company	Address	Capital	Business	Ownership
(1) Consolidated subsidiaries				%
Taisho Kosei Service Co.,Ltd.	Tokyo, Japan	,000 Yen 10,000	SMG	100
Taisho Okinawa Co.,Ltd.	Okinawa, Japan	,000 Yen 50,000	SMG	100
Taisho M.T.C. Co.,Ltd.	Tokyo, Japan	,000 Yen 400,000	SMG	60
Taisho Pharmaceutical Logistics Co.,Ltd.	Tokyo, Japan	,000 Yen 30,000	SMG	100
Taisho Business Research Institute Co.,Ltd.	Tokyo, Japan	,000 Yen 50,000	SMG PD	100
Taisho Toyama Pharmaceutical Co.,Ltd.	Tokyo, Japan	,000 Yen 1,000,000	PD	55
Medwell Taisho Co.,Ltd.	Saitama, Japan	,000 Yen 200,000	PD	100
Mejiro Real Estate Co.,Ltd.	Tokyo, Japan	,000 Yen 600,000	SMG	100
Shimoda Central Co.,Ltd.	Tokyo, Japan	,000 Yen 100,000	SMG	100 (100)
TAISHO ACTIVE HEALTH Co., Ltd.	Tokyo, Japan	,000 Yen 100,000	SMG	55
Taisho Pharmaceutical (Taiwan) Co.,Ltd.	Taiwan	,000 NT\$ 200,000	SMG	86.6
Taisho Pharmaceutical California Inc.	U.S.A.	,000 US\$ 41,050	SMG	100
Taisho Pharmaceutical (M) SDN. BHD.	Malaysia	,000 M\$ 24,380	SMG	100
Taisho Pharmaceuticals (Philippines), Inc.	Philippines	,000 Peso 18,900	SMG	100
PT. Taisho Indonesia	Indonesia	,000 rupiah 42,920,000	SMG	100
Taisho Foods Deutschland GmbH	Germany	,000 DM 600	SMG	100
Taisho Co.,Ltd. Shanghai	China	,000 US\$ 16,000	SMG	85
Taisho Pharmaceutical Asia (M) SDN. BHD.	Malaysia	,000 M\$ 26,500	SMG	100
Taisho Pharmaceutical (Europe) Ltd.	United Kingdom	,000 £ 20,000	SMG	100
Taisho Vietnam Co.,Ltd.	Vietnam	,000 VND 136,806,000	SMG	100
Taisho Pharmaceutical (H.K.) Ltd.	China	,000 HK\$ 163,000	SMG	100
Osotspa Taisho Co.,Ltd.	Thailand	,000 THB 15,000	SMG	49
Taisho (Australia) Pty. Ltd.	Australia	,000 A\$ 5,500	SMG	100
Taisho Pharmaceutical R&D Inc.	U.S.A.	,000 US\$ 4,000	PD	100
(2) Equity Accounting Method				
Toyama Chemical Co.,Ltd.	Tokyo, Japan	,000 Yen 22,400,205	PD	22
Sanofi-Synthelabo-Taisho Pharmaceuticals Co.,Ltd.	Tokyo, Japan	,000 Yen 10,000	PD	49
Taisho Hizon Manufacturing Inc.	Philippines	,000 Peso 17,000	SMG	50 (50)

*SMG=Self-Medication operations PD=Prescription Pharmaceutical operations

Non-consolidated Financial Data

(Yen Million)

	FY2004(Mar. 05)		FY2005(Mar. 06)		(May)
	1H	FY	1H	New Full Year E	FY2005 Est.
Net Sales	117,548	232,858	110,759	220,000	231,000
(YOY%)	(-5.7%)	(-3.2%)	(-5.8%)	(-5.5%)	(-0.8%)
Self-Medication operations :	91,205	177,082	84,080	168,400	177,900
Prescription Pharmaceutical operations :	26,343	55,776	26,679	51,600	53,100
Gross profit	83,736	164,669	77,498	153,600	160,800
Selling, general and administrative expenses	53,461	111,984	52,476	110,100	113,300
Research and development expenses	10,686	23,246	11,646	24,500	24,500
(YOY%)	(9.1%)	(10.0%)	(10.5%)	(11.1%)	(10.6%)
Advertising expenses	8,792	17,012	8,248	16,300	17,000
Sales promotion expenses	6,073	15,583	6,184	15,300	15,800
Personnel expenses	9,968	20,214	8,672	17,700	18,700
Operating income	30,275	52,685	25,021	43,500	47,500
(YOY%)	(-8.3%)	(-8.0%)	(-17.4%)	(-17.4%)	(-9.8%)
Recurring income	32,576	56,599	27,010	47,500	51,500
(YOY%)	(-8.6%)	(-9.5%)	(-17.1%)	(-16.1%)	(-9.0%)
Net income	19,997	35,779	17,072	35,000	36,500
(YOY%)	(-6.1%)	(-17.5%)	(-14.6%)	(-2.2%)	(2.0%)
EPS (yen)	64.08	115.09	55.38	113.31	118.16
Capital expenditure	2,693	6,905	6,285	13,000	13,000
Depreciation and amortization	6,400	13,139	6,057	12,800	12,800
Total assets	591,661	601,807	613,423	631,300	618,000
Shareholders' equity	509,386	524,085	543,102	561,000	540,000
Return on equity(%) (* 1)	-	6.9%	-	6.5%	6.9%
Return on assets(%) (* 1)	-	6.0%	-	5.7%	6.0%
Equity ratio(%)	86.1%	87.1%	88.5%	88.9%	87.4%
Number of employees	3,346	3,312	3,379	-	-

(* 1) Average of the beginning and year-end balance of shareholders' equity / total assets

Non-consolidated Sales Breakdown by Category

(Yen Million)

	FY2004(Mar. 05)		FY2005(Mar. 06)		(May)
	1H	FY	1H	New Full Year E	FY2005 Est.
Self-Medication operations :	91,205	177,082	84,080	168,400	177,900
(YOY%)	(-5.8%)	(-3.2%)	(-7.8%)	(-4.9%)	(0.5%)
OTC products, etc.	88,869	172,258	81,947	163,700	172,700
Foods for Specified Health Use, etc.	1,731	3,456	1,547	3,700	3,900
Others	605	1,368	586	1,000	1,300
Prescription Pharmaceutical operations :	26,343	55,776	26,679	51,600	53,100
(YOY%)	(-5.2%)	(-3.1%)	(1.3%)	(-7.4%)	(-4.8%)
Ethical drugs	19,810	41,942	19,529	39,800	40,600
Others	4,274	8,893	4,676	8,800	9,800
Royalty income	2,259	4,941	2,474	3,000	2,700
Total	117,548	232,858	110,759	220,000	231,000

Non-consolidated Sales Breakdown by Therapeutic Category

(Yen Million)

	FY2004(Mar. 05)		FY05
	1H	FY	1H
Nervous system and sensory organ drugs	17,624	38,714	14,666
Cardiovascular and digestive system drugs	13,147	28,116	12,973
Nutrient drugs	58,603	104,828	55,412
Dermatological preparations	12,733	23,416	10,623
Antibiotics and others	11,417	29,331	13,033
Foods for Specified Health Use, etc.	1,733	3,459	1,549
Royalty income	2,291	4,994	2,503
Total	117,548	232,858	110,759

Capital Expenditure (Breakdown by Area)

(Yen Million)

	FY2004(Mar. 05)		FY2005(Mar. 06)		(May)
	1H	FY	1H	New Full Year E	FY2005 Est.
Total capital expenditure	2,693	6,905	6,285	13,000	13,000
Omiya Factory	302	792	2,673	6,500	6,500
Hanyu Factory	44	144	21	200	200
Okayama Factory	0	46	1,414	2,600	2,600
Research Center	544	1,958	409	1,300	1,300
Others	1,803	3,965	1,768	2,400	2,400

Shareholders information (as of end of September 2005)

Major Shareholders

(Thousands of shares)

Shareholders	Number of shares	% of total
Uehara Memorial Foundation	43,000	13.42%
Shoji Uehara	36,615	11.43%
Sumitomo Chemical	12,133	3.79%
The Bank of Tokyo-Mitsubishi	10,000	3.12%
Sumitomo Mitsui Banking Corp.	10,000	3.12%
Uehara Museum of Modern Art Foundation	10,000	3.12%
Northern Trust (AVFC) American	9,536	2.98%
Japan Trustee Services Bank	8,037	2.51%
Akira Uehara	7,146	2.23%
The Master Trust Bank of Japan	6,386	1.99%

* Not include treasury stock (3.81%)

Distribution of Shareholders

Financial Institutions	16.70%
Securities Companies	0.37%
Other companies	33.43%
Foreign Companies	15.42%
Individuals and Others	34.08%
Total	100.00%

3 . New Drug Development

As of November 1, 2005

(1) Development in Japan

Filed for application

1) Clarith

- < Application > Macrolide antibiotic agent; Legionella
- < Development > Co-development with Abbott Japan
- < Remarks > Additional indication

2) Clarith

- < Application > Macrolide antibiotic agent
- < Development > Co-development with Abbott Japan
- < Remarks > Improved formula dry syrup for children

3) Clarith

- < Application > Macrolide antibiotic agent;
H. pylori eradication in combination with rabeprazole and amoxicillin
- < Development > Co-development with Eisai, Abbott Japan, etc.
- < Remarks > Change of dosage and administration

Phase 3

1) T-3811 (oral)

- < Application > New-type quinolone antibacterial agent
- < Development > Co-development with Toyama Chemical

Phase 2

1) NT-702 (NM-702, overseas)

- < Application > Intermittent claudication (arteriosclerosis obliterans and spinal canal stenosis)
- < Development > Co-development with Nissan Chemical
- < Description > Expressed extremely strong vasodilation as well as platelet aggregate inhibition
Expect improving intermittent claudication
- < Remarks > Overseas; Phase 2

2) NT-702

- < Application > Asthma
- < Development > Co-development with Nissan Chemical
- < Description > Expressed bronchodilatation and inhibition of cellular infiltration

3) Palux

- < Application > Intermittent claudication (spinal canal stenosis)
- < Development > In-house
- < Remarks > Additional indication

As of November 1, 2005

(1) Development in Japan

Phase 1

1) TS-021

- < Application > Type 2 diabetes
- < Development > In-house

2) TS-033

- < Application > Type 1 and 2 diabetes
- < Development > In-house

3) TS-022

- < Application > Atopic dermatitis
- < Development > In-house

(2) Development in Overseas Countries

Phase 2

1) NM-702 (NT-702, in Japan)

- < Application > Intermittent claudication (arteriosclerosis obliterans)
- < Development > Co-development with Nissan Chemical
- < Description > Expressed extremely strong vasodilation as well as platelet aggregate inhibition
Expect improving intermittent claudication

Phase 1

1) TS-041

- < Application > Depression and anxiety
- < Development > Co-development with Janssen Pharmaceutica NV

2) TS-011

- < Application > Acute stage of cerebral infarction
- < Development > In-house

4 . Launch of New Products

As of November 1, 2005

(1) Over-the-counter drugs

1) Samon Vigor I

< Description > A tonic and nutrient mini-drink combining 11 herbs such as Muira Puama
< Launch > April 2005

2) DENTWELL II [medicated] VC Cool Mint

< Description > A cool mint flavor of medicated toothpaste containing vitamin C
< Launch > May 2005

3) ALFE VC

< Description > A quasi-drug vitamin C supplement drink containing 1000 mg of vitamin C,
vitamin E and other active ingredients
< Launch > May 2005

4) Lipovitan Wins A (Ace)

< Description > A new quasi-drug drink containing 3 tonic herbs, 2000 mg of taurine,
a vitamin B1 derivative and other active ingredients, which is available
at convenience stores
< Launch > July 2005

5) IRIS ACE Tablet

< Description > Oral pharmaceutical vitamin supplement for people troubled by dry eyes
and difficulty seeing at night
< Launch > July 2005

6) Pabron Gargle AZ

< Description > A medicated gargle containing sodium azulene sulfonate (anti-inflammatory agent)
< Launch > August 2005

7) Taisho Ken-i Ichoyaku

< Description > A pharmaceutical gastrointestinal drug containing 7 active ingredients
that include stomachic herbs such as turmeric and ginger
< Launch > September 2005

8) Naron Fresh C

< Description > An antipyretic analgesic containing ibuprofen, vitamin B1 and vitamin C
< Launch > October 2005

4 . Launch of New Products

As of November 1, 2005

(1) Over-the-counter drugs

9) ZENA F-

< Description > A tonic and nutrient mini-drink combining 15 herbs such as Muira Puama
< Launch > October 2005

10) Lipovitan Fine

< Description > A sugar-free, low-calorie quasi-drug drink
< Launch > October 2005

11) Glucocare Granules (stick-type packaging)

< Description > A FOSHU (Foods for Specified Health Use) for people who are concerned about
their blood glucose level (convenient-to-carry stick-type packaging)
< Launch > October 2005

12) Pabron Nasal Spray Z

< Description > A switch-OTC product containing ketotifen fumarate (antiallergic agent)
< Launch > November 2005
