



Summary of Non-Consolidated Financial Results for the Third Quarter of Fiscal 2007

Jan 24, 2007

Name of Listed Company: Toho Pharmaceutical Co., Ltd.

Listed: Tokyo Stock Exchange

(URL <http://www.tohojk.co.jp>)

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1. Basis for Preparation of Quarterly Financial Information

① Simplified methods of accounting: Adopted

- (1) Accounting for inventories Inventory amounts are stated on an as-booked basis
- (2) Accounting for income taxes Based on pro forma annual effective tax rate
- (3) Certain other items are accounted for using simplified procedures, provided they are insignificant in relative value

② Accounting principles compared with most recently completed business year: Unchanged

2. Results of Operations during Third Quarter of Fiscal Year 2007 (from April 1, 2006 to December 31, 2006)

(1) Progress report of Operations Result (non-consolidated)

(Amounts are truncated to the nearest million yen)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Third Quarter of Fiscal 2007	555,738	(6.7)	4,415	(40.3)	5,985	(37.5)	2,961	(29.4)
Third Quarter of Fiscal 2006	521,047	(20.6)	3,147	(32.7)	4,354	(24.0)	2,288	(9.2)
(Reference) Fiscal 2006	679,917		3,299		4,858		2,207	

	Net Income per Share	Net Income per Share - Diluted
	Yen	Yen
Third Quarter of Fiscal 2007	51.48	47.09
Third Quarter of Fiscal 2006	47.05	42.26
(Reference) Fiscal 2006	43.86	39.47

(Note) Year-on-year changes in net sales, operating income, and other results are shown in percentage terms.

3. Projected Results of Operations during Fiscal Year 2007 (from April 1, 2006 to March 31, 2007)

	Net Sales	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen
Full Year	725,100	7,200	4,000

(Reference) Projected net income per share during current fiscal year (full year): 70.20 yen

* Projected results of operations are based on information available as of the date of announcement hereof, and actual results of operations may differ from the projections depending on a variety of factors that may occur subsequently.

[Qualitative Information on Projected Results of Operations]

The Company's projected results of operations during the current fiscal year remain the same as announced on November 9, 2006.

1. (Summary) Balance Sheets

(Millions of yen, %)

Account	First Quarter of Fiscal 2007	First Quarter of Fiscal 2006	Increase (Decrease)		(Reference) Fiscal 2006
	Amount	Amount	Amount	%	Amount
(Assets)					
I Current assets					
1. Cash on hand and on deposit	29,017	21,741			16,608
2. Notes receivable	2,420	3,633			3,576
3. Accounts receivable	228,160	217,602			194,602
4. Inventories	43,364	37,316			36,406
5. Purchase rebates receivable	7,310	8,666			10,318
6. Others	9,993	6,675			6,466
Allowance for doubtful receivables	—76	—336			—213
Total current assets	320,090	295,299	24,791	8.4	267,766
II Fixed assets					
1. Property, plant and equipment					
(1) Buildings	9,984	9,645			9,471
(2) Land	14,180	14,031			13,604
(3) Others	1,313	1,580			1,534
Total property, plant and equipment	25,478	25,257			24,611
2. Intangible fixed assets	2,605	2,059			2,631
3. Investments and other assets					
(1) Equity shares in associated companies	22,917	14,587			14,607
(2) Others	16,015	13,476			12,653
Allowance for doubtful receivables	—548	—526			—446
Total investments and other assets	38,383	27,538			26,814
Total fixed assets	66,467	54,854	11,613	21.2	54,057
Total assets	386,558	350,154	36,404	10.4	321,823

(Millions of yen, %)

Account	First Quarter of Fiscal 2007	First Quarter of Fiscal 2006	Increase (Decrease)		(Reference) Fiscal 2006
	Amount	Amount	Amount	%	Amount
(Liabilities)					
I Current liabilities					
1. Notes payable	1,445	2,243			1,871
2. Accounts payable	287,977	267,128			238,840
3. Short-term loans payable	928	3,980			1,873
4. Income taxes payable	1,414	1,105			1,076
5. Accrued bonuses	585	514			1,012
6. Director's bonuses	27	—			—
7. Reserve for sales return	219	200			180
8. Other	15,230	5,651			8,581
Total current liabilities	307,828	280,822	27,006	9.6	253,435
II Long-term liabilities					
1. Bonds payable	9,600	10,000			10,000
2. Long-term debt	341	925			366
3. Deferred tax liabilities	2,353	1,186			1,736
4. Deferred tax liabilities due to revaluation	1,417	—			1,312
5. Accrued retirement benefits for employees	950	1,063			1,015
6. Accrued retirement benefits for directors and corporate auditors	—	299			306
7. Guarantee loss reserve	—	17			12
8. Others	2,435	1,523			2,062
Total long-term liabilities	17,099	15,016	2,083	13.9	16,811
Total liabilities	324,928	295,838	29,090	9.8	270,247

(Millions of yen, %)

Account	First Quarter of Fiscal 2007	First Quarter of Fiscal 2006	Increase (Decrease)		(Reference) Fiscal 2006
	Amount	Amount	Amount	%	Amount
(Net assets)					
I Shareholders' equity					
1. Common stock	10,599	—			—
2. Capital surplus	26,206	—			—
3. retained earnings	29,763	—			—
4. common stock for treasury	—3,506	—			—
Total shareholder's equity	63,063	—	—	—	—
II Evaluation and conversion difference, etc					
1. Unrealized gains on available-for-sale securities	3,338	—			—
2. Unrealized gains on revaluation of land	—4,786	—			—
Total evaluation and conversion difference, etc	—1,447	—	—	—	—
III Equity warrants	13	—	—	—	—
Total net assets	61,630	—	—	—	—
Total liabilities and net assets	386,558	—	—	—	—
(Shareholders' equity)					
I Common stock	—	10,399	—	—	10,399
II Capital surplus					
Legal capital reserve	—	16,922			16,922
Total capital surplus	—	16,922	—	—	16,922
III Retained earnings					
1. Legal earned reserve	—	664			664
2. Voluntary earned reserve	—	25,186			25,186
3. Unappropriated earnings at third quarter	—	1,955			1,930
Total retained earnings	—	27,806	—	—	27,781
IV Unrealized gains on revaluation of land	—	—2,054	—	—	—4,859
V Unrealized gains on available-for-sale securities	—	2,498	—	—	2,591
VI Treasury stock	—	—1,258	—	—	—1,259
Total shareholders' equity	—	54,315	—	—	51,576
Total liabilities and shareholders' equity	—	350,154	—	—	321,823

2. (Summary) Statements of Income

(Millions of yen, %)

Account	First Quarter of Fiscal 2007	First Quarter of Fiscal 2006	Increase (Decrease)		(Reference) Fiscal 2006
	Amount	Amount	Amount	%	Amount
I Net sales	555,738	521,047	34,691	6.7	679,917
II Cost of sales	530,995	499,310	31,685	6.3	651,687
Gross income	24,742	21,737	3,005	13.8	28,230
Reversal of reserve for sales returns	22	—32			—52
Gross income after reserve for sales returns	24,720	21,769	2,951	13.6	28,282
III Selling, general and administrative expenses	20,304	18,621	1,683	9.0	24,982
Operating income	4,415	3,147	1,268	40.3	3,299
IV Non-operating income	1,668	1,388	280	20.2	1,774
V Non-operating expenses	98	181	—83	—45.5	215
Ordinary income	5,985	4,354	1,631	37.5	4,858
VI Extraordinary gains	189	31	158	505.2	91
VII Extraordinary losses	882	289	593	205.0	617
Income before income taxes	5,292	4,096	1,196	29.2	4,332
Income taxes	2,330	1,808	522	28.9	2,124
Net income	2,961	2,288	673	29.4	2,207
Unappropriated retained earnings brought forward	—	103	—	—	103
Transfer from unrealized gains on revaluation of land	—	—207	—	—	—151
Loss on disposal of treasury shares	—	228	—	—	228
Unappropriated retained earnings at end of third quarter	—	1,955	—	—	1,930