

July 2, 2008
Tokyo Ohka Kogyo Co., Ltd.

Receipt of a Notice of Tax Assessment based on Transfer Pricing Taxation

Tokyo Ohka Kogyo Co., Ltd. (hereinafter the “Company”) hereby announces that it received a notice of tax assessment from Tokyo Regional Tax Bureau based on transfer pricing taxation on June 30, 2008, pursuant to the Bureau’s judgment that the prices in the transactions between the Company and its overseas subsidiary for the six fiscal years from the fiscal year ended March 31, 2002 to that ended March 31, 2007 are different from the arm’s length prices. The notice indicates that the taxable income subject to the correction amounts to approximately 1.3 billion yen and the total additional tax is estimated to amount to approximately 0.4 billion yen including the Corporation Tax, Enterprise Tax and Inhabitant Tax (the principal taxes and the additions to taxes).

The Company believes that its transaction prices with its overseas subsidiary were appropriate, and that the Company and its overseas subsidiary have paid proper amounts of taxes in accordance with the relevant tax laws and regulations of each country. Accordingly, the Company strongly regrets that it is subject to, and it disagreed with, this assessment by the Bureau. The Company intends to file the request for reconsideration.

The Company has revised its business forecast for the fiscal year ending March 31, 2009, due to this notice of tax assessment. For more information, please refer to the announcement “Revision of Business Forecast for the Fiscal Year Ending March 31, 2009” which was disclosed on July 2, 2008.

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