

Tokyo Ohka Kogyo Co., Ltd. Announces Ministerial Approval for Exemptions along with Return of the Substitutional Portion of its Pension Fund

KAWASAKI, Kanagawa Prefecture, Japan, December 16, 2003 - Tokyo Ohka Kogyo Co., Ltd. (TOK) hereby announces that, on December 1, 2003, it obtained the approval of the Minister of Health, Labour and Welfare for exemption from the obligation of future payment of the substitutional portion of the Pension Fund of Tokyo Ohka Kogyo along with effectuation of the defined benefit corporate pension law.

In this connection, we intend to apply the transitional measures stipulated in Article 47-2 of the administrative guidelines for retirement benefit accounting (interim report) as contained in Report 13 of the Japanese Institute of Certified Public Accountants (JICPA) Accounting Committee. As such, the employees' retirement benefits obligation and pension assets associated with the substitutional portion will be regarded as eliminated on the day that approval was obtained from the Minister in our accounts.

We therefore expect to post an extraordinary profit of approximately ¥2,300 million on the consolidated basis (and approximately ¥2,300 million on the non-consolidated basis) on our profit/loss statement for the fiscal year ending March 31, 2004.

The related influence on our profit/loss noted above has already been incorporated into the forecast released on November 19, 2003 for our performance in the fiscal year ending March 31, 2004. There is consequently no need for a revision of our projected result because of this development.

(Reference)

Forecast for our performance in the fiscal year ending March 31, 2004 (released on November 19, 2003)

(Millions of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Consolidated Basis	77,400	5,400	5,500	4,100
Non-consolidated Basis	68,200	3,100	4,000	3,400

Forward-Looking Statement: This news release contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the company's strategy for growth, product development, market position, expected expenditures and financial results are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects", "anticipates", "plans", "intends", "projects", "indicates", "believes", and similar expressions. These statements are not guarantees of future performance and involve a number of risks, uncertainties

and assumptions. Many factors, including those discussed more fully elsewhere in this release and in TOK's filings with the Ministry of Finance of Japan and Tokyo Stock Exchange, Inc., particularly its latest annual report and semiannual report, as well as others, could cause results to differ materially from those stated. These factors include, but are not limited to changes in the laws, regulations, policies and economic conditions, including inflation, deflation, interest and foreign currency exchange rates, of countries in which the company does business; competitive pressures; successful integration of structural changes, including restructuring plans, acquisitions, divestitures and alliances; cost of raw materials, research and development of new products, including regulatory approval and market acceptance.

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