

September 22, 2004

Teikoku Hormone Mfg. Co., Ltd.

News Report issued on September 21

Several newspapers issued on September 21 reported that Dalton Investments LLC (Dalton) had proposed a management buyout (MBO) in which Dalton would buy 100% of outstanding common stock of our company at 1,200 yen per share. We inform that on September 21 we received such proposal of MBO from Japanese Management Buyout Fund (JMBO), which had been founded by Dalton for the investment for Japanese stock market.

We met representatives of Dalton twice since May 2003. They interviewed us about the business and financial status of our company, and inquired about the possibility of an MBO by our management. However, our management answered that they had no intention of accepting their idea.

From the viewpoint of realization of our shareholders' long-term benefit, we will thoroughly evaluate the details of such proposal, which are to be introduced to us in the future, as well as analyzing and investigating other strategic options. We would like to announce our idea on this proposal as soon as it is available.