

December 26, 2016

To Whom It May Concern:

Company Name: Taisho Pharmaceutical Holdings Co., Ltd
Head Office: 3-24-1, Takada, Toshima-ku, Tokyo
Representative: Akira Uehara, Chief Executive Officer
(First Section of TSE: Code 4581)
Contact: Takashi Shibata, General Manager
Corporate Communications
(Tel:+81-3-3985-1115)

Notice Concerning Acquisition of Dr. Program Co., Ltd.,
Consolidated Subsidiary of KYORIN Holdings, Inc.

Taisho Pharmaceutical Holdings Co., Ltd. (“the Company”) has announced that its consolidated subsidiary Taisho Pharmaceutical Co., Ltd. (Head office: Tokyo, Japan; Chief Executive Officer: Shigeru Uehara, “Taisho”) has agreed with KYORIN Holdings, Inc. (Head office: Tokyo, Japan; President: Minoru Hogawa, “KYORIN”) to acquire all of the shares of KYORIN’s consolidated subsidiary Dr. Program Co., Ltd. (Head office: Tokyo, Japan; President: Hiroshige Shiba, “Dr. Program”). The acquisition will see Dr. Program become a wholly owned subsidiary of Taisho, and Taisho assume all of Dr. Program’s employees and business assets.

Dr. Program’s operates mainly in the skin care domain, primarily the functional basic skin care brand “TRINITYLINE.” Most of the sales channels are mail order sales.

The acquisition will serve to strengthen Taisho’s mail order business and enable it to efficiently expand its portfolio in the skin care domain.

1. Objective of the acquisition

To achieve future business expansion, such as:

- Expanding the mail order business, which is positioned as a growth domain within the self-medication business, and eventually to becoming a part of it.
- Expanding Taisho’s mail-order sales customer base especially.
- Efficiently expanding operations in the skin care domain by utilizing Taisho’s expertise in the self-medication business, brand strategy, and so forth

2. Overview of Dr. Program

Company Name	Dr. Program Co., Ltd.		
Establishment	March 16, 2001		
Headquarters	Takara Bldg. 7 th F, Hatagaya 1-34-14, Shibuya-ku, Tokyo		
Representative	Representative Director and President: Hiroshige Shiba		
Number of Employees	38 employees (As March 31, 2016)		
Capital	251.5 million yen		
Business Description	Production and sales of skincare products, pharmaceuticals and cosmetic materials		
Relationship between Taisho and Dr. Program	Capital relationship	Not applicable	
	Personal relationship	Not applicable	
	Business relationship	Not applicable	
Business results and financial condition over the last three years (million yen)			
Fiscal year	March 2014	March 2015	March 2016
Net assets	197	178	134
Total assets	775	693	701
Net sales	1,773	1,398	1,285
Operating income	161	-20	-77
Ordinary income	170	-18	-77
Profit	154	-19	-43

3. Number of shares to be acquired and amount

Number of shares	1,484 shares (Percentage of ownership: 100.0%)
Amount of money	Undisclosed

4. Schedule

Date of Board of Directors resolution	December 26, 2016
Date of share transfer agreement	December 26, 2016
Date of share transfer execution	April 1, 2017 (scheduled)

5. Future Outlook

There will be no impact on consolidated business results for the fiscal year ending March 2017 due to the acquisition.