

January 31, 2017

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 the Termination of the Agreement Between Taisho Pharmaceutical Co., Ltd. and Takeda Pharmaceutical Co., Ltd. on the Distribution of the OTC Drugs and Quasi-Drugs of Biofermin Pharmaceutical Co., Ltd.

Taisho Pharmaceutical Co., Ltd. (Head office: Tokyo, Japan; Chief Executive Officer: Shigeru Uehara, “Taisho”), a wholly owned subsidiary of Taisho Pharmaceutical Holdings Co., Ltd. (“the Company”), executed with Biofermin Pharmaceutical Co., Ltd. (Head office: Kobe, Japan; President, Representative Director: Takaaki Fujimoto, “Biofermin Pharmaceutical”), the Company’s consolidated subsidiary, an exclusive distributorship agreement for Biofermin Pharmaceutical’s products in July 2013. Taisho has also agreed with Takeda Pharmaceutical Co., Ltd. (Head Office: Osaka, Japan; Representative Director, President & CEO: Christophe Weber, “Takeda”) that it will conduct domestic transactions in relation to the sale of the Biofermin Pharmaceutical’s products in Japan by granting to Takeda a distributorship for a certain period of time (the “Sale Arrangement”). Since January 2014, Taisho has been distributing Biofermin Pharmaceutical’s products through Takeda.*

The Company has announced that Taisho and Takeda have reached an agreement to terminate on September 30, 2017 the OTC drug and quasi-drug transactions stipulated in the Sale Arrangement between the two companies (the “Termination Agreement”). In line with this agreement, Taisho will undertake direct distribution activities with respect to the OTC drug and quasi-drug transactions from October 2017 onward.

In regard to domestic prescription drug transactions, Takeda will continue to distribute domestic prescription drugs as before.

Biofermin is the top brand in Japan’s intestinal regulator field. Taisho will work to further solidify the position of the Biofermin brand by directly distributing Biofermin Pharmaceutical’s products. At the same time, Taisho will work to maximize the value of the Biofermin brand by implementing measures that take full advantage of its brand power, including strengthening the product lineup.

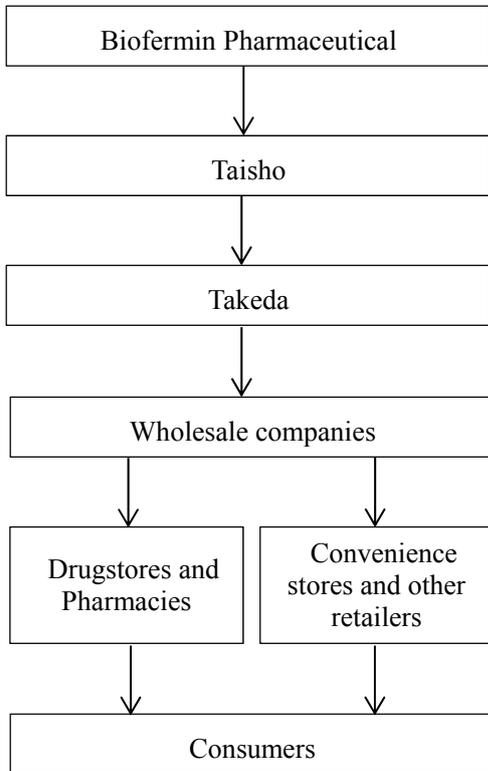
The Termination Agreement will have a negligible impact on the Company’s consolidated business results.

* For details on the content of the agreement executed in July 2013 and related matters, please refer to the Company’s press release issued on July 31, 2013.

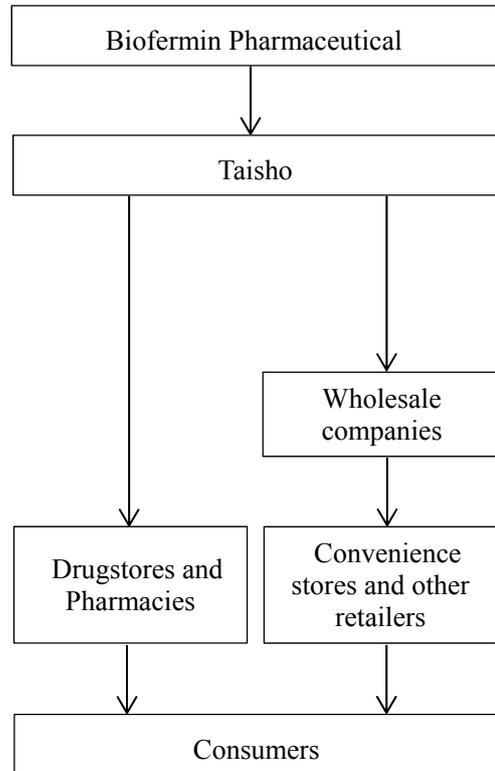
(Reference)

Flow of OTC drug and quasi-drug transactions

Before change (currently):



After change (from October 2017 onward):



Note: There has been no change to prescription drug transactions.