

May 14, 2018

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
(Representative)
(First Section of TSE: Code 4581)
Contact: Hideki Iuchi, General Manager of
Corporate Communications
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Notice Concerning Acquisition of Shares in Taisho Toyama Pharmaceutical Co., Ltd. (Conversion into a Wholly-Owned Subsidiary) and Sale of Shares in TOYAMA CHEMICAL CO., LTD.

Taisho Pharmaceutical Holdings Co., Ltd. (Headquartered in Toshima-ku, Tokyo; Chief Executive Officer: Akira Uehara; hereinafter referred to as the “Company”) hereby announces that, to form a better framework, the Company, at its Board of Directors meeting held today, resolved to dissolve the capital alliance (hereinafter the “capital alliance relationship”) over Taisho Toyama Pharmaceutical Co., Ltd. (headquartered in Toshima-ku, Tokyo; President: Kenichi Fujita; hereinafter referred to as “Taisho Toyama”) and TOYAMA CHEMICAL CO., LTD. (headquartered in Shinjuku-ku, Tokyo; President: Junji Okada; hereinafter referred to as “Toyama Chemical”), which has been maintained as part of the strategic capital and business alliances among three companies, the Company, FUJIFILM Holdings Corporation (headquartered in Minato-ku, Tokyo; President: Kenji Sueno; hereinafter referred to as “Fujifilm HD”), and Toyama Chemical, through the Company selling all the shares in Toyama Chemical owned by the Company to Fujifilm HD and purchasing all the shares in Taisho Toyama owned by Toyama Chemical, thereby making Taisho Toyama into a wholly-owned subsidiary of the Company (hereinafter referred to as the “Transaction”). Details are as follows.

1. Reasons for the Transaction

The Company, Fujifilm HD and Toyama Chemical have maintained the strategic capital and business alliances since 2008. Under the circumstances of the pharmaceutical industry experiencing drastic changes of its business environment, the company determined to dissolve the capital alliance relationship through the Transaction in the belief that more expeditious business management can be achieved at both the Company and Fujifilm HD by the shares in Taisho Toyama and those in Toyama Chemical being wholly owned by the Company and Fujifilm HD, respectively.

2. Outline of the target companies for the Transaction

(1) Name	Taisho Toyama Pharmaceutical Co., Ltd.	TOYAMA CHEMICAL CO., LTD.
(2) Location	25-1, Takada 3-chome, Toshima-ku, Tokyo	2-5, Nishishinjuku 3-chome, Shinjuku-ku, Tokyo
(3) Title and name of representative	Chairman (Representative): Junji Okada President (Representative): Kenichi Fujita	President (Representative): Junji Okada
(4) Business fields	Sales of ethical pharmaceuticals	Development, manufacture, and sales of pharmaceuticals
(5) Capital	¥2,000 million	¥10,000 million
(6) Date of establishment	October 8, 2002	November 15, 1936
(7) Accounting period	March	March
(8) Shareholding ratio	Taisho Pharmaceutical Holdings Co., Ltd.: 55% TOYAMA CHEMICAL CO., LTD.: 45%	FUJIFILM Holdings Corporation: 66% Taisho Pharmaceutical Holdings Co., Ltd.: 34%

3. Outline of the counter-party of the Transaction with which the capital alliance relationship will be dissolved

(1) Name	FUJIFILM Holdings Corporation
(2) Location	7-3, Akasaka 9-chome, Minato-ku, Tokyo
(3) Title and name of representative	Chairman and Chief Executive Officer: Shigetaka Komori President and Chief Operating Officer: Kenji Sueno
(4) Consolidated business fields	Development, production, sales, and service of: Imaging Solutions (color films, digital cameras, optical devices, color paper, services and equipment for photofinishing, instant photo systems, etc.), Information Solutions (equipment and materials for medical system, life sciences products, pharmaceuticals, equipment and materials for graphic arts, display materials, recording media and electronic materials, etc.), and Document Solutions (office copy machines/MFPs, printers, production systems and services, office services, paper and consumables, etc.).
(5) Capital	¥40,363 million
(6) Date of establishment	January 20, 1934

(7)	Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (trust account)	6.3%
		Japan Trustee Services Bank, Ltd. (trust account)	5.3%
		Nippon Life Insurance Company	3.4%
		Sumitomo Mitsui Banking Corporation	2.0%
		Japan Trustee Services Bank, Ltd. (trust account 5)	1.5%
		Japan Trustee Services Bank, Ltd. (trust account 9)	1.5%
		STATE STREET BANK WEST CLIENT - TREATY 505234	1.4%
		Mitsui Sumitomo Insurance Company, Limited	1.4%
		NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	1.3%
	Daicel Corporation	1.2%	
(8)	Relationships within the Company and the counter-party	Capital relationships	None
		Personnel relationships	None
		Business relationships	None
		Relationships with related parties	None
(9)	Consolidated operating results and consolidated financial position of the counter-party for the past two years (U.S. GAAP)		
Fiscal year	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	
Consolidated net assets	¥2,231,997 million	¥2,268,058million	
Consolidated total assets	¥3,311,970 million	¥3,533,189 million	
Consolidated shareholders' equity per share	¥4,472.45	¥4,668.26	
Consolidated net sales	¥2,460,383 million	¥2,322,163 million	
Consolidated operating profit	¥180,626 million	¥172,281 million	
Consolidated profit before income taxes	¥182,242 million	¥194,775 million	
Profit attributable to FUJIFILM Holdings Corporation	¥116,402 million	¥131,506 million	
Basic earnings per share	¥250.03	¥296.27	
Dividend per share	¥65.00	¥70.00	

4. Schedule

(1)	Date of resolution of the Board of Directors	May 14, 2018
(2)	Date of the share transfer	July 31, 2018

5. Future Outlook

In relation to the Transaction, the Company estimates to record ¥41.8 billion in extraordinary income on sale of the shares in Toyama Chemical in the second quarter of the fiscal year under review, which is reflected in the forecast of operating results announced today in the "Consolidated Financial Statements for the Year Ended March 31, 2018."

Taisho Toyama will continue sales of Toyama Chemical products after the Transaction is completed for some time, but the direction thereafter is yet to be determined at this time. A specific direction will be announced as soon as it is decided upon consultation between the Company and Fujifilm HD.

(Reference)

Forecast of consolidated operating results for the fiscal year under review (released on May 14, 2018), and consolidated operating results for the previous fiscal year

(Millions of yen)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Forecast of consolidated operating results for the fiscal year under review (Fiscal year ending March 31, 2019)	269,000	33,000	39,500	55,500
Consolidated operating results for the previous fiscal year (Fiscal year ended March 31, 2018)	280,092	36,977	42,140	31,679