



October 1, 2019

To whom it may concern:

Company Name:  **TAIYO HOLDINGS CO., LTD.**
Representative: Eiji Sato, President and CEO
(Code: 4626, Listed on First Section of
Tokyo Stock Exchange)
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**Notification of the Completion of the Acquisition of New Company Shares and
Ownership of the Takatsuki Plant of Daiichi Sankyo Propharma Co., Ltd.
(Subsidiary Acquisition)**

TAIYO HOLDINGS CO., LTD. (hereinafter “Taiyo Holdings”) hereby announces that we have acquired all the shares in the newly established company (TAIYO Pharma Tech Co., Ltd.) that took over Takatsuki Plant (hereinafter “Takatsuki Plant”) owned by Daiichi Sankyo Propharma Co., Ltd. (hereinafter “Daiichi Sankyo Propharma”), a subsidiary of DAIICHI SANKYO COMPANY, LIMITED (hereinafter “Daiichi Sankyo”), with a company split today in relation to the “Concerning Acquisition of New Company Shares and Ownership of Daiichi Sankyo Propharma Co., Ltd. Takatsuki Plant (Subsidiary Acquisition)” announcement we made on January 31, 2019.

We plan to continue production in Takatsuki Plant with the new company undertaking production of the existing production items in the plant.

1. Reason for share acquisition

As indicated in our medium-term business plan NEXT STAGE 2020, the Taiyo Group is implementing various initiatives to grow the medical and pharmaceutical business as a second core business. As one of those initiatives, our subsidiary TAIYO Pharma Co., Ltd. has begun acquiring long listed products to conduct the manufacturing and sales of pharmaceutical drugs. With this latest agreement, Taiyo Holdings will acquire the Takatsuki Plant of Daiichi Sankyo Propharma with the goal of newly establishing an internal manufacturing center.

The Daiichi Sankyo Group began operations at the Daiichi Sankyo Propharma Takatsuki Plant, which manufactures ethical pharmaceuticals, in 1933. Under an advanced, GMP compliant manufacturing and quality management structure, the plant produces solid preparations and injectable drugs.

Through this transfer of ownership, the Taiyo Group will partner with TAIYO Pharma Co., Ltd. to begin the contracted manufacturing of pharmaceutical drugs as Taiyo Holdings look s to further strengthen the

foundation of our medical and pharmaceutical business. The Takatsuki Plant will continue to conduct and expand on contracted manufacturing business from the Daiichi Sankyo Group. At the same time, Taiyo Holdings will focus on effectively using the advanced technical strengths and production capacity of the Takatsuki Plant to capture new drug manufacturing contracts from customers outside the Daiichi Sankyo Group as Taiyo Holdings aims to meet the diverse needs of pharmaceutical companies in Japan and overseas.

2. Overview of the Transferred Subsidiary

(1)	Name	TAIYO Pharma Tech Co., Ltd.
(2)	Address	4-38, Aketa-cho, Takatsuki-shi, Osaka
(3)	Representative name and title	Eiji Sato, President and CEO
(4)	Business operations	Manufacture and sale of pharmaceuticals
(5)	Share capital	300 million yen
(6)	Date founded	April 25, 2019
(7)	Number of shares outstanding	6,000
(8)	Accounting period	March 31
(9)	Major shareholder and equity ratio	TAIYO HOLDINGS CO., LTD. (100%)

3. Overview of Takatsuki Plant

(1) Address	4-38, Aketa-cho, Takatsuki-shi, Osaka
(2) Surface area	Plant surface area: 52,584m ²
(3) Start of operations	December 25, 1933
(4) No. of employees	Approx. 330 (as of April 1, 2018)
(5) Manufactured products	Injectable drugs, solid preparations

4. Overview of the Transaction Partner

(1)	Name	DAIICHI SANKYO COMPANY, LIMITED
(2)	Address	3-5-1, Nihonbashi-honcho, Chuo-ku, Tokyo
(3)	Representative name and title	Sunao Manabe, Representative Director, President & COO
(4)	Business operations	Research & development, manufacture and marketing of pharmaceuticals
(5)	Share capital	50,000 million yen
(6)	Date founded	September 28, 2005
(7)	Equity attributable to	1,249,642 million yen

	owners of parent (FY2018)		
(8)	Total consolidated assets (FY2018)	2,088,051 million yen	
(9)	Major shareholders and equity ratios (As of March 31, 2019)	The Master Trust Bank of Japan, Ltd. (trust account): 9.69% JP MORGAN CHASE BANK 380055: 8.49% Japan Trustee Services Bank, Ltd. (trust account): 8.33% Nippon Life Insurance Company: 5.52% Trust & Custody Services Bank, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.: 2.22% The Shizuoka Bank, Ltd.: 1.76% Japan Trustee Services Bank, Ltd (trust account 5): 1.73% Japan Trustee Services Bank, Ltd (trust account 7): 1.56% JP MORGAN CHASE BANK 385151: 1.52%	
(10)	Relationship between the listed company and the company in question	Capital relationship	No items to report
		Personnel relationship	No items to report
		Business relationship	No items to report
		Transactional relationship	No items to report

5. No. of Shares Acquired, Acquisition Value and Status of Retained Shares Before and After the Acquisition

Acquisition value: 37.6 billion yen in new company common shares

(1)	No. of retained shares prior to the transfer	- shares (No. of voting rights: -) (Percentage of voting rights: -%)
(2)	No. of acquired shares	6,000
(3)	Acquisition value	37.6 billion yen in new company common shares
(4)	No. of retained shares after the transfer	6,000 (No. of voting rights: 6,000) (Percentage of voting rights: 100%)

6. Schedule

Share transfer date: October 1, 2019

7. Future Forecasts

We are currently investigating the impact of this stock acquisition on FY2019 consolidated earnings. Taiyo Holdings will provide immediate notification in the event of any matters requiring disclosure.