

May 20, 2019

To Whom It May Concern:

Company Name: Taisho Pharmaceutical Holdings Co., Ltd.  
Head Office: 3-24-1, Takada, Toshima-ku, Tokyo  
Representative: Akira Uehara, President and CEO  
(First Section of TSE: Code 4581)  
Hideki Iuchi, General Manager  
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**Duoc Hau Giang Pharmaceutical JSC became a consolidated subsidiary of Taisho**

Taisho Pharmaceutical Co., Ltd. [Headquarters: Toshima-ku, Tokyo, CEO: Shigeru Uehara] (hereinafter "Taisho"), a consolidated subsidiary of Taisho Pharmaceutical Holdings Co., Ltd., (hereinafter "Taisho Holdings"), has performed a Tender Offer (as described in the "Notice Regarding the Tender Offer for Shares of Duoc Hau Giang Pharmaceutical JSC" from February 28, 2019) since March 18, 2019 (hereinafter "Tender Offer"), targeting 21.7% of the issued shares of Duoc Hau Giang Pharmaceutical JSC (hereinafter "DHG"), aiming for consolidation of DHG as a consolidated subsidiary.

As described in "Notice Regarding the Result of the Tender Offer for Shares of Duoc Hau Giang Pharmaceutical JSC" on April 18, 2019, the tender offer was executed according to plan since 15.78% of the total number of issued shares was tendered. As a result, 50.78% of the total number of issued shares of DHG was held by Taisho.

Subsequently, Taisho acquired 0.23% of DHG from existing shareholders, and through a series of transactions, Taisho now holds 51.01% of the total number of issued shares of DHG, making DHG a consolidated subsidiary.

1. Reason for the consolidation

The mission and philosophy of Taisho Pharmaceutical Group ("Taisho Group") is to contribute to society by creating and offering superior pharmaceuticals and health-related products as well as healthcare-related information and services in socially responsible ways that enrich people's lives by improving health and beauty. In order to achieve this mission, Taisho Group is striving to build a stronger business foundation so that it can continue to steadily grow and develop even in the face of global competition. As part of the efforts to strengthen Taisho Group's competitiveness, in addition to its domestic business, Taisho Group is focusing on investments in global markets, especially Southeast Asia.

In order to advance Taisho Group's global growth strategy, the Taisho Group and DHG entered into an alliance agreement in May 2016, and since the Taisho Group acquired 24.5% of the shares of DHG

in July 2016, the Taisho Group has realized synergies for both companies by leveraging its main products and know-how as well as the strong position of DHG in Vietnam.

By making DHG a consolidated subsidiary, the Taisho Group will strengthen its relationship with DHG, aiming to further strengthen the pharmaceutical business in the Asian market. From March 18, 2019, Taisho implemented a tender offer targeting 21.7% of the total number of issued shares of DHG. 15.78% of the total number of issued shares was tendered by April 16, 2019, the ending date of the tender offer period. As a result, 50.78% of the total number of issued shares of DHG was held by Taisho.

In addition, Taisho acquired 0.23% of shares of DHG from existing shareholders, and through a series of transactions, Taisho now holds 51.01% of the total number of issued shares of DHG, making DHG a consolidated subsidiary.

Through the consolidation, Taisho group will strengthen DHG as well as the pharmaceutical business in the Asian market, and will further enhance the corporate value of the Taisho Group including DHG.

## 2. Outline of the Consolidated Subsidiary (DHG) (as of May 20, 2019)

(1)	Consolidated Subsidiary	Duoc Hau Giang Pharmaceutical JSC	
(2)	Address	288 Bis Nguyen Van Cu, An Hoa Ward, Ninh Kieu District, Can Tho City, Vietnam	
(3)	Name and Title of Representative	Acting Chief Executive Officer : Duy Khuong Dinh Doan	
(4)	Business Outline	Manufacture and sale of pharmaceuticals, sale of functional food etc.	
(5)	Capital Stock	1,307,460,710,000 VND	
(6)	Establishment	1974	
(7)	Major Shareholders and Shareholding Ratios	Taisho Pharmaceutical Co., Ltd.	51.01%
		The State Capital Investment Corporation	43.31%
(8)	Relationship between Taisho and DHG	Capital	Taisho, a consolidated subsidiary of Taisho Holdings, holds 66,697,052 shares (51.01% of the total number of issued shares) of DHG as of today, making DHG consolidated subsidiary.
		Personnel	Jun Kuroda, Member of the Board, Senior Executive Officer of Taisho, is concurrently serving as a director of DHG.
		Business	Not applicable
(9)	Operating performance and financial condition (consolidated) in the last three fiscal years (Unit: million JPY) (※)		

Fiscal Years	FY2016 (ending Dec. 2016)	FY2017 (ending Dec., 2017)	FY2018 (ending Dec., 2018)
Net Assets (Equity)	13,488	12,968	14,780
Total Assets	18,543	19,211	19,773
Sales	17,780	19,095	18,273
Operating Income	3,685	3,443	3,321
Net Income	3,223	3,019	3,072

(※) 1 VND =0.0047 JPY

### 3. Number of Shares Held by Taisho Before and After the Transfer / Purchase Price

(1)	Number of Shares Held Before the Transfer	45,761,086 shares (34.99% of total number of issued shares)
(2)	Number of Shares Transferred	20,935,966 shares (of these, 20,635,966 shares acquired through the Tender Offer)
(3)	Purchase Price	11.8 billion JPY (of the tender offer, the acquisition price is approximately JPY 11.7 billion)
(4)	Number of Shares After the Transfer	66,697,052 shares (51.01% of total number of issued shares)

### 4. Future Outlook

DHG will be consolidated by the Taisho Group and we plan to incorporate it into our consolidated business results from the 2<sup>nd</sup> quarter of the fiscal year ending March 2020. The impact of the consolidation on the Group's business results is currently determined, and another announcement will be made without delay if there is a matter to be disclosed.

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