

July 9, 2012

To Whom It May Concern:

Company Name: Taisho Pharmaceutical Holdings Co., Ltd.  
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### **Taisho Completes Acquisition of Four Mexican Pharmaceutical Companies**

Taisho Pharmaceutical Holdings Co., Ltd. (“Taisho Holdings”), Taisho Pharmaceutical Co., Ltd. (“Taisho”), and Taisho Pharmaceutical California Inc. (“Taisho California”) (collectively, the “Taisho group”) have completed the acquisition of 100.0% of the shares of leading local pharmaceutical companies in Mexico with several highly recognized brands and production facilities, namely Compañía Internacional de Comercio, S.A.P.I. de C.V. (Head Office: Mexico City, Mexico; “CICSA”), Grupo Imperial, S.A. de C.V. (Head Office: Mexico City, Mexico; “GI”), Kosei, S.A. de C.V. (Head Office: Mexico City, Mexico; “KOSEI”), and Vitacilina Corporation of America (Head Office: Texas, U.S.A.; “VitaCorp”) (collectively, the “Companies”) on July 6, 2012 (Mexico time) (the “Transaction”).

In North America, Taisho group established a local company in the U.S.A. in 1988 and has expanded its operation with a focus on the energy drink market. Taisho group entered the Mexican market in 2002 and has commercialized Lipovitan D and other energy drink products within Mexico. The acquisition of the Companies marks a full-scale entry into the OTC drug market in Mexico by Taisho group. Taisho group also expects further growth in its existing business in North America by leveraging CICSA’s distribution channels and production facilities.

#### 1. Outline of the Transaction

Shares which were subject to the Transaction

Shares of the Companies: 100.0% of the outstanding shares of each of the Companies

Seller Takashi Tsuru Kayaba and other founding family member

## 2. Overview of the Companies

### ◇ Overview of CICSA

(i) Company Name	Compañía Internacional de Comercio, S.A.P.I. de C.V.
(ii) Primary Business	Production, commercialization, distribution of OTC drug, cosmetics and related products in Mexico
(iii) Date of Establishment	March 18, 1938
(iv) Head Office	Mexico City, Mexico
(v) Representative	Takashi Tsuru Kayaba
(vi) Paid-in Capital (As of Dec 2011)	MXN55.4 million (approximately JPY0.33 billion <sup>1</sup> )
(vii) Sales (FY2011)	MXN325.6 million (approximately JPY1.95 billion <sup>1</sup> )
(viii) Net Income (FY2011)	MXN26.6 million (approximately JPY0.16 billion <sup>1</sup> )

### ◇ Overview of GI

(i) Company Name	Grupo Imperial, S.A. de C.V.
(ii) Primary Business	Administration and lease of CICSA's real estate and other asset
(iii) Date of Establishment	November 18, 1974
(iv) Head Office	Mexico City, Mexico
(v) Representative	Takashi Tsuru Kayaba
(vi) Paid-in Capital (As of Dec 2011)	MXN4.8 million (approximately JPY0.03 billion <sup>1</sup> )
(vii) Sales (FY2011)	MXN6.0 million (approximately JPY0.04 billion <sup>1</sup> )
(viii) Net Income (FY2011)	MXN1.4 million (approximately JPY0.01 billion <sup>1</sup> )

### ◇ Overview of KOSEI

(i) Company Name	Kosei, S.A. de C.V.
(ii) Primary Business	Provision of personnel services to CICSA
(iii) Date of Establishment	February 13, 2006
(iv) Head Office	Mexico City, Mexico
(v) Representative	Takashi Tsuru Kayaba
(vi) Paid-in Capital (As of Dec 2011)	MXN0.05 million (approximately JPY0.3 million <sup>1</sup> )
(vii) Sales (FY2011)	MXN27.8 million (approximately JPY0.17 billion <sup>1</sup> )
(viii) Net Income (FY2011)	MXN1.4 million (approximately JPY0.01 billion <sup>1</sup> )

### ◇ Overview of VitaCorp

(i) Company Name	Vitacilina Corporation of America
(ii) Primary Business	Commercialization and distribution of products produced by CICSA for the US market
(iii) Date of Establishment	December 30, 1999

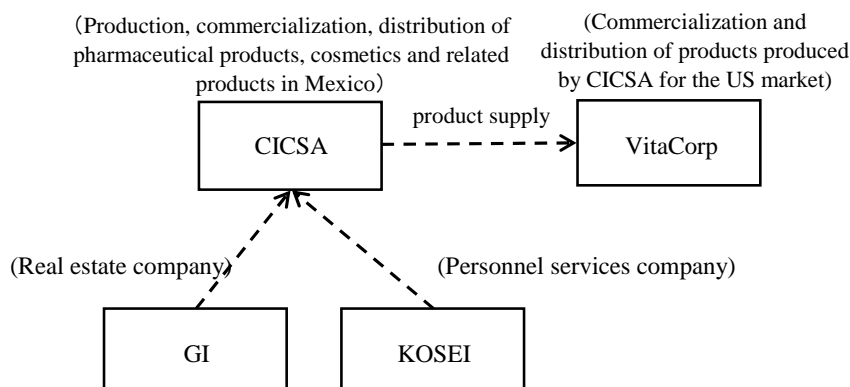
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<sup>1</sup> Exchange rate of 6 Yen to 1 Mexican Pesos.

(iv) Head Office	Texas, U.S.A.
(v) Representative	Takashi Tsuru Kayaba
(vi) Paid-in Capital (As of Dec 2011)	USD0.001 million (approximately JPY0.08 million <sup>2</sup> )
(vii) Sales (FY2011)	USD5.2 million (approximately JPY0.41 billion <sup>2</sup> )
(viii) Net Income (FY2011)	USD-0.5 million (approximately JPY-0.04 billion <sup>2</sup> )

Therefore, total sales of the 4 companies that would affect Taisho group's consolidated results (after eliminating internal sales) is approximately JPY 2.3 billion.

**【Reference (Overview of the structure of the Companies )】**



Note: Taisho group has completed the acquisition of 100.0% of the outstanding shares of each of the Companies.

### 3. Purpose of the Transaction

CICSA is one of the leading local pharmaceutical companies in Mexico and owns several highly recognized brands. In particular, CICSA's main brand "Vitacilina" has the largest share in Mexico's medicated skincare market and has also been commercialized in the U.S.A.

Taisho group foresees the following effects from the acquisition of the Companies:

- (i) By acquiring CICSA's product line with strong brands, Taisho group will be able to fully enter and establish an OTC drug platform in Mexico, which was previously limited to mainly energy drinks.

<sup>2</sup> Exchange rate of 80 Yen to 1 USD.

- (ii) By leveraging CICSA's distribution channels in Mexico and the U.S. to sell Taisho group's products, including the products of its subsidiaries such as Hoepharm, Taisho group expects further growth in its existing business in North American
- (iii) Taisho group will be able to utilize CICSA's production facilities in Mexico as a platform to serve the broader North American continent.

Taisho group's financial advisors were Daiwa Securities Co. Ltd. and Sagent Advisors Inc., legal advisor were White and Case LLP and Rico, Robles, Libenson y Bernal, S.C., accounting advisor was Deloitte Tohmatsu Financial Advisory Co., Ltd.

#### 4. Future Outlook

The impact of the Transaction on the financial condition of Taisho group is expected to be insignificant. Taisho Holdings will announce once any impact, which should be disclosed, becomes clear.