

ANNOUNCEMENT ON PREPARATION TO TRANSITION TO HOLDING COMPANY STRUCTURE THROUGH SHARE TRANSFER

We hereby announce that our board of directors resolved at its meeting held today to transition to a holding company structure by April 1, 2021 and to prepare for the transition as follows.

The transition to a holding company structure is subject to approval at the general meeting of our shareholders to be held in June 2020. Further details will be announced when determined.

Details

1. Background and Purpose of Transition to Holding Company Structure

As Japan's population ages at an accelerating rate, social security expenditures have increasingly strained the country's finances, and there are concerns for a slowdown in the country's economic activity associated with the decreasing workforce. As measures considered to be effective in addressing these issues, the Japanese government is focused on extending the life expectancy of its citizens by providing public services for preventative care and health management outside the national healthcare system.

Under these circumstances, we have engaged in our medical care-related business including pharmaceutical products based on our corporate philosophy of contributing to the improvement of people's health and medical progress through development of innovative products. In order to further meet society's expectations and continue to enhance our corporate value, we have made the determination that it would be best for the Company to aim to become a "total healthcare company" by transitioning to a holding company structure. By changing to a holding company structure, we will aim to enhance our business in new domains and to expedite our decision-making process in executing our business. We also believe that a change to a holding company structure, which will separate oversight of management from business execution, will be appropriate from the perspective of strengthening our governance.

2. Method of Transition to Holding Company Structure

A holding company will be established through a share transfer to be conducted by the Company (the "Share Transfer") pursuant to which the Company will become a wholly-owned subsidiary of the holding company. Because we plan to apply for a technical listing in the first section of the Tokyo Stock Exchange of the shares in the holding company that will be allocated to all Company

shareholders, the listing of the Company shares, which will be delisted in such form, will continue to be maintained in substance in the form of shares in the holding company.

Details of the allocation related to the Share Transfer (e.g., the share transfer ratio), the tradename and structure of the holding company to be established and other matters will be announced as soon as they are determined.

3. Schedule of Transition to Holding Company Structure

Late March 2020 (scheduled):	Approval at the Company's board of directors meeting regarding the Share Transfer plan
Late June 2020 (scheduled):	Approval at the general meeting of the Company's shareholders regarding the Share Transfer plan
April 1, 2021 (scheduled):	Effective date of the Share Transfer

Please note that the foregoing dates are subject to change due to procedures required for the Share Transfer or other reasons.

End