

February 28, 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)
Contact	Hideki Iuchi, General Manager Corporate Communications (Tel: +81-3-3985-1115)

Notice Regarding the Tender Offer for Shares of Duoc Hau Giang Pharmaceutical JSC

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") resolved at a meeting of the Board of Directors held on February 28, 2019, to perform a Tender Offer targeting 21.7% of the total number of issued shares (hereinafter "Tender Offer") of Duoc Hau Giang Pharmaceutical JSC (hereinafter "DHG"), an equity method affiliate of Taisho Holdings based in Vietnam, aiming for consolidation of DHG as a consolidated subsidiary.

Moreover, the Tender Offer does not fall under the tender offer as prescribed in Article 27-2, Paragraph 1 of Japan's Financial Instruments and Exchange Act.

1. Reason for the Tender Offer

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.

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

2. Outline of the Tender Offer

(1) Tender Offeror	Taisho Pharmaceutical Co., Ltd.
(2) Target	Duoc Hau Giang Pharmaceutical JSC
(3) Tender Offer Period	The tender offer is expected to be implemented according to the following schedule, however, the schedule may be subject to change due to circumstances such as the approval status of Vietnamese authorities. Mid-March, 2019: Start of the Tender Offer period (planned) Mid-April, 2019: End of the Tender Offer period (planned)
(4) Class of Share Certificates, Etc. to be Purchased	Common shares
(5) Tender Offer Price	Per common share 120,000 VND Note: The price of the Tender offer is determined based upon comprehensively considering the business outlook of DHG, the potential value of owned products and know-how, etc.
(6) Funds Required for the Tender Offer	About 3,403 billion VND (about 16 billion JPY) (※) Note: The amount required to make the payment regarding the purchase of 21.7% of the total number of issued shares of DHG is stated above. Taisho plans to pay all of the tender offer funds with its own resources.
(7) Number of Shares to be Purchased	Number of shares to be purchased: 28,358,748 shares (21.7% of total number of issued shares)
(8) Other	The Tender Offer is based upon the premise of obtaining approval from relevant authorities in Vietnam.

(※) 1 VND =0.0047 JPY

3. Outline of the Tender Offer Target (DHG)

(1) Name	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	The State Capital Investment Corporation	43.31%
	Taisho Pharmaceutical Co., Ltd.	34.99%

(8) Relationship between Taisho Holdings and DHG	Capital	Taisho, a consolidated subsidiary of Taisho Holdings, holds 45,761,086 shares (34.99% of the total number of issued shares) of DHG as of today, making DHG an equity-method affiliate.		
	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, FY2018(ending Dec., 2018) are approximate.

4. Outline of the Tender Offeror (Taisho)

(1) Name	Taisho Pharmaceutical Co., Ltd.
(2) Address	3-24-1 Takada, Toshima-ku, Tokyo 170-8633, Japan
(3) Name and Title of Representative	Representative Director and President: Shigeru Uehara
(4) Business Outline	R&D, manufacturing and sales of OTC drugs, prescription drugs, food and general products etc.
(5) Capital Stock	29,804,450,035 JPY

5. 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	28,358,748 shares (21.7% of total number of issued shares) (※1)
(3) Purchase Price	About 3,403 billion VND (about 16 billion JPY) (※1) (※2)
(4) Number of Shares after the Transfer	74,119,834 shares (56.69% of total number of issued shares) (※1)

(※1) When all of the shares are purchased that were planned to be purchased through the Tender Offer

(※2) 1 VND =0.0047 JPY

6. Schedule

(1) Board Resolution	February 28, 2019
(2) Start of the Tender Offer period	Mid-March, 2019: Start of the tender offer period (planned) (※)
(3) End of the Tender Offer period	Mid-April, 2019 (planned) (※)
(4) Share Transfer Execution Date	End-April, 2019 (planned) (※)

(※) There is a possibility of a change or extension depending upon the approval status (etc.) of Vietnamese authorities.

7. Future Outlook

The results of the Tender Offer will be promptly announced as soon as the Tender Offer period ends. Moreover, the impact of the transaction on the financial condition of Taisho Group is expected to be non-material.

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