

April 15, 2019

For Immediate Release

Company name	Otsuka Holdings Co., Ltd.
Representative	Tatsuo Higuchi President and Representative Director, CEO
Code number	4578 First Section , Tokyo Stock Exchange
Inquiries	Yuji Kogure Director, Investors Relations Department

Notice Regarding Company Split (Simplified Absorption-type Company Split)

Otsuka Holdings Co., Ltd. (“the Company”) announces that it has resolved at the meeting of its Board of Directors held on April 12, 2019 to transfer its Otsuka group's shared services business (“the Business”) to Otsuka Business Support Co., Ltd. (“Otsuka Business Support”), a fully-owned subsidiary of the Company which was established on April 1, 2019. (“the Company Split”) The effective date will be July 1, 2019.

Certain information has been omitted from this announcement since the Company Split is a simplified absorption-type company split in which the Company will transfer the assets to its wholly owned consolidated subsidiary.

1. Purpose of the Company Split

Since 2009, the Company has been operating Otsuka group's shared service division (“the Division”) to support accounting, administrations, human resources and IT operations at Otsuka group companies in order to promote the consolidation and standardization of the group operations.

Over the 10 years since its establishment, the Division has expanded the scope of its business and established an organization to provide services that contribute to improving the quality and efficiency of various operations of the group. The Division is now at a stage where it is expected to become a financially independent company specialized in shared services. Therefore, the Company has decided that the business will be transferred to the new company with the aim of achieving optimal business management that suits its business characteristics.

2. Outline of the Company Split**(1) Schedule**

April 3, 2019	Resolution by the Board of Directors of Otsuka Business Support
April 12, 2019	Resolution by the Board of Directors of the Company
April 12, 2019	Resolution by the shareholders meeting of Otsuka Business Support
April 12, 2019	Company Split Agreement to be executed by the Otsuka Business Support
July 1, 2019	Effective date of the Company Split

Note: Since the Company Split satisfied the requirement for a simplified company split stipulated in Article 784 (2) of the Companies Act, the Company as the splitting company does not require and will not request the approval by a shareholders meeting.

(2) Method of Company Split

This is an absorption-type company split (simplified company split) in which the Company is the splitting company and Otsuka Business Support is the successor company.

(3) Details of Allotments Related to the Company Split

The successor company will issue 1,746 shares of common stock and allot them to the Company.

- (4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights Accompanying the Company Split
The Company issues no stock acquisition rights and no bonds with stock acquisition rights.
- (5) Deduction of Capital due to the Company Split
There is no increase or decrease in capital related to the Company Split.
- (6) Rights and Obligations to be Assumed by Successor Company
For the purpose of the Company Split, the successor company will assume all assets considered necessary for conducting the business.
- (7) Prospect of Fulfillment of Obligations
The Company considers there to be no problem relating to the prospect of fulfillment of obligation to be borne by the Company or the successor company for the purpose of the Company Split.

3. Summary of Companies Involved in the Company Split

	Splitting Company (As of December 31, 2018)	Successor Company (As of April 15, 2019)
(1) Company Name	Otsuka Holdings Co., Ltd.	Otsuka Business Support Co., Ltd.
(2) Head Office	2-9 Kanda-Tsukasamachi, Chiyoda-ku, Tokyo 101-0048, Japan	1-1 Takabou-Aza-Iuchi, Kitajima-cho, Tokushima 771-0206, Japan
(3) Representative	Tatsuo Higuchi President and Representative Director, CEO	Kazunori Yamaguchi President and Representative Director
(4) Summary of Business	Control, management and related activities with respect to the Company's subsidiaries and affiliates active in the pharmaceutical industry, nutraceutical industry, consumer products, and other areas.	Provision of shared services related to accounting, administrations, human resources and IT, and related businesses
(5) Paid-in Capital	¥81.69 billion	¥25 million
(6) Establishment	July 8, 2008	April 1, 2019
(7) Number of Shares Issued	557,835,617 shares	1,000 shares
(8) Book Closing Date	December 31	December 31
(9) Principal Shareholders and Shareholding Ratio	<ul style="list-style-type: none"> - Japan Trustee Services Bank, Ltd. (Trust Account) 11.57% - The Nomura Trust & Banking Co. Otsuka Founders Shareholding Fund Trust Account 10.67% - The Master Trust Bank of Japan, Co., Ltd. (Trust Account) 7.88% - Otsuka Estate Limited 4.30% - Otsuka Group Employee Shareholding Fund 2.44% 	<ul style="list-style-type: none"> - Otsuka Holdings Co., Ltd. 100%

(10) Operating Results for the Most Recent Business Year and Financial Positions (In millions of yen, except for those stated otherwise)		
Name	Otsuka Holdings Co., Ltd. (consolidated)	Otsuka Business Support Co., Ltd.
Fiscal Year	Ended December 31, 2018	As of April 15, 2019
Total Equity (Equity attributable to owners of the Company)	1,704,499	50
Total Assets	2,476,634	50
Equity Attributable to owners of the Company per Share (yen)	3,145.71	50,000
Net Sales	1,291,981	-
Operating Profit	108,304	-
Current Income	85,395	-
Profit Attributable to owners of the Company	82,492	-
Basic Earnings per Share (yen)	152.24	-

Note: Otsuka Business Support is a company established on April 1, 2019 and therefore does not disclose operating results.

4. Outline of the Business Section Subject to the Company Split

(1) Outline of the Business

Provision of shared services related to accounting, administrations, human resources and IT to Otsuka group companies and related businesses

(2) Operating Results of the Business Section Subject to the Company Split

There are no operating results of the business.

(3) Assets and Liabilities To be Split Off (scheduled)

(millions of yen)

Assets		Liabilities	
Current assets	-	Current liabilities	-
Non-current assets	87	Non-current liabilities	-
Total	87	Total	-

5. Status of the Company after the Company Split

There will be no change in the trade name, location of the head office, name and title of the representative, line of business, paid-in capital or accounting term due to the Company Split.

6. Future Outlook

The Company Split is expected to have only minor impacts on the consolidated business results of the Company because it is a transaction between the Company and a wholly owned subsidiary.