

May 10, 2016

**Otsuka Pharmaceutical Factory and Lilium Otsuka
sign Japanese-market sales partnership agreement for
the medical device “Lilium® α -200”**

Two Otsuka Group companies, Otsuka Pharmaceutical Factory, Inc. and Lilium Otsuka Co., Ltd. have signed an exclusive sales agreement in Japan for the medical device “Lilium® α -200” which continuously measures urine volume in the bladder. Otsuka Pharmaceutical Factory will begin sale of this product to medical institutions in Japan on May 26, 2016.

This product is capable of visually indicating the amount of urine in the bladder and it is expected to become an effective tool to support urinary independence for patients and promote recovery at home by assisting with the proper timing of self-catheterization, removal of indwelling urethra catheters, and diaper removal for patients who have lost micturition sensations.

Lilium Otsuka developed this product and began the sale in November 2015. By this sales partnership, Otsuka Pharmaceutical Factory will be the exclusive distributor in Japan. Otsuka Pharmaceutical Factory is a leading Japanese company that provides a wide range of clinical nutrition products, serving a wide range of settings from acute care hospitals to homes, and this sales partnership was established because of expectations that a partnership between these two companies could strengthen synergy across the Otsuka Group companies.

Dr. Hiromi Sanada¹, president of the Japanese Society of Wound, Ostomy, and Continence Management, commented “Urinary management is considered to be the factor that determines whether a patient can return home, and it was added to the reimbursement schedule for comprehensive urinary care offered by team-based medicine as of this April. As a result we expect Japanese urinary care to improve.”

Our Group philosophy is “Otsuka-people creating new products for better health worldwide.” Guided by this principle, we contribute to the health of people all around the world through market creation driven by innovative product development.

¹ Professor of Gerontological Nursing and Wound Care Management, Clinical Nursing, Health Sciences and Nursing, Graduate School of Medicine and Faculty of Medicine, The University of Tokyo

Product Outline

| Type | Portable Ultrasonic Diagnostic Device | Class category | Class II | | | | | | | | | | | | | | | | | | | | | | | |
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| Brand name | Lilium® α-200 | Certification date | Aug. 27, 2015 | | | | | | | | | | | | | | | | | | | | | | | |
| Weight | 150 g (excluding batteries) | Size (mm) | 120(H)×68(W)×27(D) | | | | | | | | | | | | | | | | | | | | | | | |
| Accuracy | ±15%, +20mL | Power | Two AA batteries | | | | | | | | | | | | | | | | | | | | | | | |
| Basic function(s) | 1) Post-void Residual Measurement Mode 2) Urination Timing Mode 3) Periodic Measurement Mode 4) Urination Diary Function | | | | | | | | | | | | | | | | | | | | | | | | | |
| Device photo | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contents of Lilium α-200 kit A | <table border="1"> <thead> <tr> <th>Lilium α-200</th> <th colspan="3">Complementary accessories</th> </tr> </thead> <tbody> <tr> <td rowspan="6"> <p>Lilium α-200 probe (Ultrasound probe)</p> <p>Lilium α-200 Main unit</p> </td> <td>Adaptor</td> <td>Clip</td> <td>Lilium Gel 50g</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Gel pad</td> <td>Water spray</td> <td>Fixing tape</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Fixing band</td> <td>Angle condition tool</td> <td>AA batteries</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table> | | | Lilium α-200 | Complementary accessories | | | <p>Lilium α-200 probe (Ultrasound probe)</p> <p>Lilium α-200 Main unit</p> | Adaptor | Clip | Lilium Gel 50g | | | | Gel pad | Water spray | Fixing tape | | | | Fixing band | Angle condition tool | AA batteries | | | |
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Corporate Profile

Otsuka Pharmaceutical Factory, Inc.

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| Established | : | October 7, 1969 |
| Capital | : | 80 million yen |
| Representative | : | Shinichi Ogasawara, President and Representative Director |
| Head Office | : | 115 Kuguhara, Tateiwa, Muya-cho, Naruto, Tokushima 772-8601 |
| Number of Employees | : | 2,335 (as of December 31, 2015) |
| Business Description | : | Manufacturing and sales of drugs (mainly clinical nutrition products), medical devices, and functional foods |
| Shareholder | : | Otsuka Holdings Co., Ltd. (100%) |
| Website (URL) | : | http://www.otsukakj.jp/ |

Lilium Otsuka Co., Ltd.

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|----------------------|---|------------------------------------------------------------------------------------------------|
| Established | : | January 29, 2015 |
| Capital | : | 75 million yen |
| Representative | : | Isao Shirasaki, President and Representative Director |
| Head Office | : | 4-12-6, Chiyoda, Chuo-ku, Sagamihara, Kanagawa |
| Number of Employees | : | 10 (as of December 31, 2015) |
| Business Description | : | Research and development, manufacturing, and marketing of medical devices and related products |
| Shareholder | : | Otsuka Medical Devices Co., Ltd. (100%) |
| Website (URL) | : | http://www.lilium.otsuka/indexen.html |