

April 27, 2018

**Otsuka Pharmaceutical Factory acquires all the shares of
Lilium Otsuka held by Otsuka Medical Devices,
making it a whollyowned subsidiary**

Otsuka Pharmaceutical Factory, Inc. (Head Office: Naruto, Tokushima, Japan; President and Representative Director: Shinichi Ogasawara; “OPF”) has signed a Share Purchase Agreement to acquire all the shares of Lilium Otsuka Co., Ltd. (Head Office: Sagami-hara, Kanagawa, Japan; President and Representative Director: Isao Shirasaki; “Lilium Otsuka”) held by Otsuka Medical Devices Co., Ltd. (Head Office: Chiyoda-ku, Tokyo, Japan; President and Representative Director: Noriko Tojo; “Otsuka Medical Devices”). The acquisition of the shares has been completed today and Lilium Otsuka becomes a wholly owned subsidiary of OPF.

Lilium Otsuka has engaged in the business as one of the wholly owned subsidiaries of Otsuka Medical Devices which oversees medical device operations of the Otsuka Group. In April 2016, OPF and Lilium Otsuka signed an exclusive sales agreement for the portable ultrasonic diagnostic device “Lilium[®] α -200” (“Lilium α -200”). OPF has been expanding sales of the product by utilizing its wide range of network through clinical nutrition products in settings from acute care hospitals to homes. By making Lilium Otsuka a wholly owned subsidiary of OPF and integrating manufacturing and distribution, OPF will further strengthen the business structure and strategically develop products related to nephrology, renal surgery, and urology of the Otsuka Group. We can establish a system which can smoothly meet requests from patients and healthcare professionals by this agreement.

Based on the corporate philosophy of “Otsuka-people creating new products for better health worldwide,” the Otsuka Group is dedicated to contributing to the health of people around the world.

About Lilium α -200

Lilium α -200 was developed by Lilium Otsuka and launched in November 2015. The product is a medical device which can visually indicate the amount of urine in the bladder noninvasively using ultrasonic technology (medical device approval No: 227ADBZX00146000). It can comprehensively evaluate bladder function by urine volume monitor (post-void residual measurement or 24-hour periodic measurement) and is useful for the care after removal of indwelling urethral catheters and removing diaper at an appropriate time. It is expected to become an effective tool for patients to support urinary independence and promote recovery at home.

Company Profile

Otsuka Pharmaceutical Factory, Inc.

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| Established | : | October 7, 1969 (founded September 1, 1921) |
| Capital | : | 80 million yen |
| Representative | : | Shinichi Ogasawara, President and Representative Director |
| Head Office | : | 115 Kuguhara, Tateiwa, Muya-cho, Naruto, Tokushima 772-8601, Japan |
| Number of Employees | : | 2,297 (as of December 31, 2017) |
| Business Description | : | Manufacture, sale, import and export of clinical nutrition products, and other pharmaceutical products, medical devices, and functional foods, etc. |
| Website (URL) | : | http://www.otsukakj.jp/en/ |

Otsuka Medical Devices Co., Ltd.

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| Established | : | February 15, 2011 |
| Capital | : | 7.55 billion yen |
| Representative | : | Noriko Tojo, President and Representative Director |
| Head Office | : | 2-9 Kanda Tsukasamachi, Chiyoda-ku, Tokyo 101-0048, Japan |
| Number of Employees | : | 15 (as of December 31, 2017) |
| Business Description | : | Overseeing medical device operations within the Otsuka Group and the business activities of companies engaged in related businesses, as well as all operations incidental to the foregoing activities |
| Website (URL) | : | http://www.umd.otsuka.com/en/ |

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 252-0237, Japan |
| Number of Employees | : | 18 (as of December 31, 2017) |
| Business Description | : | Research and development, manufacturing and marketing of medical devices and related products |
| Website (URL) | : | http://www.lilium.otsuka/en/ |