

For Immediate Release**Otsuka Medical Devices Acquires KiSCO Medical Group,
Enters the Field of Orthopedic Surgery**

TOKYO, October 17, 2011 — Otsuka Medical Devices Co., Ltd. (Head office: Tokyo; President, Representative Director: Hiroshi Shirafuji), a wholly-owned subsidiary of Otsuka Holdings Co., Ltd., has reached an agreement to acquire the KiSCO Medical Group, which includes KiSCO Co., Ltd. (Head office: Kobe; President, Representative Director: Toshio Yamaguchi; “KiSCO”).

The KiSCO Medical Group is engaged in research, development and commercialization of implant devices such as spinal, trauma and craniofacial devices. The KiSCO Medical Group has an excellent track record especially in the Japanese market through research and development of medical devices suited to anatomical features of Japanese people by obtaining opinions from clinical practitioners, and through commercialization of its various industry-leading medical devices. In addition, The KiSCO Medical Group plans to enter the European market in the near future, utilizing the existing platform of KISCO INTERNATIONAL (Head office: Lyon, France), its research and development hub.

The KiSCO Medical Group’s implant devices support patients’ life and expand their freedom through fixing their bones or fusing them together, and contribute to improve their quality of life. In the field of orthopedic surgery, demands for medical devices are increasing associated with the advances of medical technology, and the market scale of such devices is expected to expand further as a result of aging society and growing populations that will be advanced worldwide in the future.

This acquisition will allow Otsuka Medical Devices to enter the field of orthopedic surgery in addition to the existing fields of gastroenterology and cerebral and cardiac vascular intervention. Accordingly, Otsuka Medical Devices aims to contribute to improve patients’ quality of life and expand its domestic business and overseas business with a central focus on Asian regions with the goal of developing the medical devices business as one of the Otsuka Group’s core businesses.

“Medical devices play an important role in the treatment of disease,” said Hiroshi Shirafuji, President, Representative Director of Otsuka Medical Devices. “We envisage that adding the products developed and manufactured by KiSCO, which is one of the industry leaders in R&D, to our own product line will allow us to meet the needs of an even wider range of patients.”

On the other hand, Toshio Yamaguchi, President, Representative Director of the KiSCO Medical Group, remarked “I am greatly delighted that, by joining the Otsuka Group, which highlights the medical devices business as a priority area and is very active in developing its business outside Japan, our products will help to treat patients around the world.”

Otsuka Medical Devices manages the Otsuka Group's medical devices business. Through the research, development and commercialization of medical device products that satisfy unmet medical needs, the company strives to help improve the health of people around the world on the basis of the corporate philosophy of "Otsuka-people creating new products for better health worldwide".

Company Profiles

KiSCO Co., Ltd.

Established: September 14, 1961

Capital: 10 million yen

President: Toshio Yamaguchi, President, Representative Director

Head Office: 5-3-6 Minatojima Minamimachi, Chuo-ku, Kobe City, Hyogo 650-0045 Japan

Employees: 47

Business Description: Research, development, manufacture, and marketing of medical devices

KiSCO Co., Ltd.

Established: July 2, 1993

Capital: 10 million yen

President: Toshio Yamaguchi, President, Representative Director

Head Office: 1-5-40 Nagazumi, Minami-ku, Fukuoka City, Fukuoka 811-1362 Japan

Employees: 31

Business Description: Research, development, manufacture, and marketing of medical devices

KISCO INTERNATIONALE Established: November 8, 2004

Capital: 1,438,661 euro

President: Toshio Yamaguchi, President, Representative Director

Head Office: Parc Technologique - 2 place Berthe Morisot 69800 St Priest-France

Employees: 24

Business Description: Research, development, manufacture, and marketing of medical devices

Otsuka Medical Devices Co., Ltd.

Established: February 15, 2011

Capital: 2 billion yen

President: Hiroshi Shirafuji, President, Representative Director

Head Office: 2-9, Kanda-Tsukasamachi, Chiyoda-ku, Tokyo 101-0048 Japan

Employees: 8 (As of 30 September, 2011)

Business Description: Integration of all business activities directly and indirectly related to the Otsuka Group's medical device business