



June 11, 2014

Name of Company: Meiji Holdings Co., Ltd.  
Name of Representative: Shigetaro Asano, President and Representative Director  
Code Number: 2269, 1st Section, Tokyo Stock Exchange

Name of Company: Meiji Seika Pharma Co., Ltd.  
Name of Representative: Masahiko Matsuo, President and Representative Director

## Notice Concerning the Acquisition of Medreich Limited (India) by Meiji Seika Pharma Co., Ltd.

Meiji Holdings Co., Ltd. announces that its business subsidiary Meiji Seika Pharma Co., Ltd. (President and Representative Director: Masahiko Matsuo; “Meiji Seika Pharma”), one of the operating companies of Meiji Holdings Co., Ltd. (President and Representative Director: Shigetaro Asano; “Meiji Holdings”), and its affiliates have entered into a share purchase agreement with Med Holdings (UK) Limited, Nokha Holdings Private Limited and V-Sciences Investments Pte Limited<sup>(Note 1)</sup> and other minority shareholders of Medreich Limited (“Medreich” or “the Company”) to acquire all outstanding shares of Medreich (the “Acquisition”).

(Note 1) The promoters of Medreich indirectly own the Company through Med Holdings (UK) Limited and Nokha Holdings Private Limited and Temasek Holdings, a global investment company based in Singapore, indirectly owns Medreich through V-Sciences Investments Pte Limited.

### Description

#### 1. Objectives of the Acquisition

Medreich has manufacturing facilities based in India and is globally engaged in the CMO / CDMO<sup>(Note 2)</sup> business as well as the manufacturing and sale of generic drugs focusing on Europe, Asia (including India), Australia and New Zealand, and Africa. Global major pharmaceutical companies are the major customers of Medreich’s CMO business and the Company’s cost efficiency as well as the quality of its products and services are highly regarded. Medreich has a number of well-established business partners including GSK, Adcock Ingram, Pfizer, Sanofi, Novartis and Mylan. Medreich entered into the CDMO segment and the marketing of generic drugs in 2005 and has built a solid track record in development, filing and registration of various pharmaceutical formulations across the aforesaid regions. The Company is involved in the manufacturing and marketing of range of pharmaceutical products in various dosage forms catering to diverse therapeutic categories including anti-infectives, multivitamins, analgesics and antihistamines.

In our long-term management policy, “Meiji Group 2020 Vision” (“2020 Vision”), Meiji Seika Pharma has stated its mission is to help people’s health and lives worldwide, as a “Speciality and Generic Pharmaceutical Company” with the ability to expand business internationally, through research and development, manufacturing and sale of new drugs for infectious diseases and central nervous system disorders and providing high-quality generic drugs at a low-price as well as agricultural chemicals and veterinary drugs. In order to achieve this goal and sustained growth of our ethical pharmaceuticals business, we are striving to further grow our generic drugs business and actively expand our international business with a focus on Asia and other emerging countries.

(Note 2) CMO: Contract Manufacturing Organization  
CDMO: Contract Development and Manufacturing Organization  
Further description is provided in Annex

Recently, in the developed countries such as Japan, generic drugs market is rapidly expanding due to the government policy of reducing medical expenditures, though the growth of the entire pharmaceutical products market is slowing down. In Asia and other emerging countries, the demand for affordable pharmaceutical products is expected to remain strong. Therefore, there are needs to expand cost-competitive production capacity to meet such increase in demand. Furthermore, as outsourcing for cost reduction is increasing in the pharmaceutical industry, sustainable growth of the CMO / CDMO business is expected globally.

In such a business environment, the Acquisition enables us to:

- (1) Obtain a manufacturing infrastructure in order to achieve cost-competitive production and capacity expansion,
- (2) Broaden our sales network of generic drugs in India, Asia and Africa where the demand for low-priced pharmaceutical products is expected to increase

In addition to the two points above, we will be able to expand our CMO / CDMO business leveraging Medreich's blue chip customer base and the Company's expertise in quality control and regulatory compliance, which has been cultivated through its long-term partnership with global pharmaceutical companies. We plan to retain the existing employees at Medreich, who will play a key role in the future growth and development of the company. Therefore, we believe this Acquisition will contribute to the realization of our 2020 Vision and increase the corporate value of Meiji Holdings.

## 2. Overview of the Acquisition

Meiji Seika Pharma and its affiliates intend to acquire all of the outstanding shares of Medreich, subsequent to which the Company will become a subsidiary of Meiji Seika Pharma and will retain its name.

The purchase price of the shares agreed with the shareholders of Medreich is US\$ 290 mm. The purchase price will be adjusted prior to closing in accordance with a customary mechanism agreed between Meiji Seika Pharma and the shareholders of Medreich.

## 3. Overview of Medreich

(1) Name of the company	Medreich Limited
(2) Headquarters	Maruthi Seva Nagar, Bangalore, Karnataka, India
(3) Representative	Andrew Morris (Chief Executive Officer)
(4) Business	Contract development and manufacturing of pharmaceutical products Manufacturing and sale of generic drugs
(5) Share capital	INR 1,407mm
(6) Date of establishment	August 16 , 1973
(7) Major shareholders	Med Holdings (UK) Limited V-Sciences Investments Pte Limited Nokha Holdings Private Limited
(8) Relationship with Meiji Holdings and Meiji Seika Pharma	Neither Meiji Holdings nor Meiji Seika Pharma has capital, personal or transactional relationships with Medreich. There are no notable capital, personal or transactional relationships between the affiliates of Meiji Holdings or Meiji Seika Pharma and the affiliates of Medreich. Medreich is not a related party of Meiji Holdings or Meiji Seika Pharma. There are no persons or affiliates of Medreich that are related parties of Meiji Holdings or Meiji Seika Pharma.

(9) Consolidated results for the past three fiscal years (USD mm) <sup>(Note 3)</sup>			
Fiscal Year	March 2011	March 2012	March 2013
Net assets	92	96	97
Total assets	165	173	167
Sales	114	136	157
Operating income <sup>(Note 4)</sup>	12	16	24
Ordinary income <sup>(Note 5)</sup>	10	13	22
Net income	5	7	11

(Note 3) The consolidated figures have not been audited.

(Note 4) Operating income represents earnings before interest and taxes.

(Note 5) Ordinary income represents profit before taxes.

#### 4. Overview of selling shareholders

##### Overview of Med Holdings (UK) Limited

(1) Name of the company	Med Holdings (UK) Limited
(2) Headquarters	Ibex House, Baker Street, Weybridge, Surrey, United Kingdom
(3) Relationship with Meiji Holdings and Meiji Seika Pharma	Neither Meiji Holdings nor Meiji Seika Pharma has capital, personal or transactional relationships with Med Holdings (UK) Limited. Med Holdings (UK) Limited is not a related party of Meiji Holdings or Meiji Seika Pharma. There are no persons or affiliates of Med Holdings (UK) Limited that are related parties of Meiji Holdings or Meiji Seika Pharma.

##### Overview of Nokha Holdings Private Limited

(1) Name of the company	Nokha Holdings Private Limited
(2) Headquarters	No. 14, 7th Cross, Jaibharathnagar, Bangalore, Karnataka, India
(3) Relationship with Meiji Holdings and Meiji Seika Pharma	Neither Meiji Holdings nor Meiji Seika Pharma has capital, personal or transactional relationships with Nokha Holdings Private Limited. Nokha Holdings Private Limited is not a related party of Meiji Holdings or Meiji Seika Pharma. There are no persons or affiliates of Nokha Holdings Private Limited that are related parties of Meiji Holdings or Meiji Seika Pharma.

##### Overview of V-Sciences Investments Pte Limited

(1) Name of the company	V-Sciences Investments Pte Limited
(2) Headquarters	60 B Orchard Road #6-18 Tower 2, The Atrium @ Orchard, Singapore
(3) Relationship with Meiji Holdings and Meiji Seika Pharma	Neither Meiji Holdings nor Meiji Seika Pharma has capital, personal or transactional relationships with V-Sciences Investments Pte Limited. V-Sciences Investments Pte Limited is not a related party of Meiji Holdings or Meiji Seika Pharma. There are no persons or affiliates of V-Sciences Investments Pte Limited that are related parties of Meiji Holdings or Meiji Seika Pharma.

##### Overview of 5 individual shareholders of Medreich

(1) Relationship with Meiji Holdings and Meiji Seika Pharma	Neither Meiji Holdings nor Meiji Seika Pharma has capital, personal or transactional relationships with the individual shareholders of Medreich. None of the individual shareholders of Medreich is a related party of Meiji
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	Holdings or Meiji Seika Pharma. There are no persons or affiliates related to the individual shareholders of Medreich that are related parties of Meiji Holdings or Meiji Seika Pharma.
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Note: Details of the individual shareholders are not disclosed due to confidentiality reasons

## 5. Schedule

(1) Board resolution	June 11, 2014
(2) Signing date	June 11, 2014

The Acquisition will be completed promptly after obtaining necessary approvals from the regulatory authorities.

## 6. Future prospect

Medreich will become a consolidated subsidiary of Meiji Holdings upon the closing of the Acquisition. We do not expect the Acquisition to have a material impact on the consolidated financials of Meiji Holdings for the fiscal year ending March 2015.

End

(Reference) Forecast of consolidated financial results (as announced on May 13, 2014) and actual consolidated financial results for the previous fiscal year (JPY mm)

	Net Sales	Operating income	Ordinary income	Net income
For the year ending March 31, 2015	1,140,000	37,500	37,500	21,500
For the year ended March 31, 2014	1,148,076	36,496	39,089	19,060

### Annex

#### 1. Overview of CMO / CDMO business

- CMO (Contract Manufacturing Organization) business

CMO businesses provide a stable supply of pharmaceutical products to clients in compliance with GMPs (Good Manufacturing Practices: standard practices required for manufacturing and quality control of pharmaceutical products) of each country, and an opportunity to reduce manufacturing costs and enhance the quality of products.

- CDMO (Contract Development and Manufacturing Organization) business

CDMOs provide contract of formulation development services in addition to the function of a CMO.

