

March 30, 2015

To Whom It May Concern:

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**Signing of Domestic Sales Rights Licensing Agreement Regarding
TT-063 Anti-inflammatory Analgesic Patch Formulation Containing S-Flurbiprofen**

Taisho Pharmaceutical Holdings Co., Ltd. has announced that its consolidated subsidiary Taisho Pharmaceutical Co., Ltd. (“Taisho Pharmaceutical”) [Head Office: Toshima-ku, Tokyo, President: Shigeru Uehara] and Teijin Limited (“Teijin”) [Head Office: Osaka City, Osaka, President and CEO: Jun Suzuki], today signed an agreement regarding the licensing of sales rights in Japan for the marketing of the anti-inflammatory analgesic patch formulation containing S-flurbiprofen (Development Code: TT-063). TT-063 was created by Taisho Pharmaceutical Holdings Co., Ltd.’s consolidated subsidiary TOKUHON Corporation (“TOKUHON”) [Head Office: Toshima-ku, Tokyo; President: Jun-ichi Fukudome] and was co-developed by Taisho Pharmaceutical and TOKUHON in Japan.

Under this agreement, TT-063 will be co-marketed in Japan by Taisho Pharmaceutical Holdings Co., Ltd.’s consolidated subsidiary Taisho Toyama Pharmaceutical Co., Ltd. (“Taisho Toyama Pharmaceutical”) [Head Office: Toshima-ku, Tokyo; President Akira Ohira] and Teijin’s consolidated subsidiary Teijin Pharma Limited (“Teijin Pharma”) [Head Office: Chiyoda-ku, Tokyo; President: Hiroshi Uno]. As license fees for the sales rights under this agreement, Taisho Pharmaceutical will receive upfront payments and milestone payments from Teijin.

TT-063 is an anti-inflammatory analgesic patch formulation containing S-flurbiprofen. TT-063 obtained good results in phase 3 clinical trials carried out targeting 633 Japanese patients with osteoarthritis of the knee joint. In October 2014, Taisho Pharmaceutical filed for manufacturing and marketing approval for TT-063 from the Ministry of Health, Labour and Welfare for the indication of osteoarthritis.

Osteoarthritis is a chronic degenerative disease of the joints, mainly involving degeneration and abrasion of joint cartilage. It is classified into osteoarthritis of the knee joint, lumbar spondylosis and other conditions depending on the affected area. The number of patients in Japan is estimated to be 24 million for osteoarthritis of the knee joint and 35 million for lumbar spondylosis, with approximately 30% of these patients showing symptoms of pain. Considering that pain is a major cause of reduced quality of life (QOL), there are high hopes for the development of patch formulations that possess a powerful anti-inflammatory analgesic action.

Through co-marketing of TT-063, Taisho Toyama Pharmaceutical and Teijin Pharma hope to play a part in extending healthy life expectancies.

The agreement will have a negligible impact on the consolidated business results of Taisho Pharmaceutical Holdings Co., Ltd. in the fiscal year ending March 31, 2015.