



#### **NEWS RELEASE**

Otsuka Holdings Co., Ltd.

# Otsuka Medical Devices Loans MicroPort to Support its Acquisition of Wright Medical's Hips and Knee Implant Business

Tokyo, Japan, June 20, 2013 — Otsuka Medical Devices Co., Ltd. ("OMD"), a wholly owned subsidiary of Otsuka Holdings Co., Ltd., announced today that it has decided to provide MicroPort Scientific Corporation ("MPS"), an OMD's affiliated company, with a loan of US\$200 million to partially fund MPS's acquisition of hips and knee implant businesses of Wright Medical Group, Inc. ("Wright") for US\$ 290 million. The acquisition is subject to customary closing conditions, including MPS's shareholder approval and receipt of regulatory clearances.

MPS has been primarily engaged in the vascular intervention area, including drug-eluting stents, with a focus on the Chinese market. Through acquisition of the Wright's hips and knee implant business, which operates worldwide, MPS aims to strengthen its portfolio of orthopedic businesses.

Aging is generally considered to be one of the most important factors for orthopedic conditions, In China, aging population is rapidly growing and becoming a social problem with the number of elderly people over 65 forecasted to reach 167 million by 2020. Accordingly, demand for joint implant is supposed to grow and China's orthopedic market is estimated to become the world's second largest by 2015.<sup>2</sup>

MPS entered into orthopedic business in 2009 and will develop the business with this acquisition. Meanwhile, OMD also launched its orthopedic business in 2011 through acquisition of KiSCO Co., Ltd. and will expand the business while opening possibilities for strategic partnering with MPS, particularly in Japan and the rest of Asia.

OMD manages Otsuka Group's medical device business. Through 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."

<sup>&</sup>lt;sup>1</sup> United Nations World Population Prospects: The 2010 Revision

Frost & Sullivan

## **Company Profiles**

### Otsuka Medical Devices Co., Ltd.

Established: February 15, 2011 Capital: 4,800 million yen President: Hiroshi Shirafuji

Registered office: 2-9, Kanda-Tsukasamachi, Chiyoda-ku, Tokyo 101-0048 Japan

Main Office: Shinagawa Grand Central Tower, 2-16-4 Konan, Minato-ku, Tokyo 108-0075, Japan

Employees: 7 (As of 1 April, 2013)

Business Description: Integration of all business activities directly and indirectly related to the Otsuka

Group's medical device business

URL: http://www.omd.otsuka.com/

## MicroPort Scientific Corporation.

Established: July 14, 2006 Capital: RMB 109,000

Chairman of the Board: Chang Zhaohua Ph.D.

Registered office: PO Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands Main Office: 501 Newton Road, Zhangjiang Hi-Tech Park, Shanghai 201203, The PRC

Employees: 1,714 (As of 31 December, 2012)

Business Description: Manufacturing and sale of cardiovascular and orthopedic medical devices

URL: http://www.microport.com.cn

## Wright Medical Group Inc.

Established: 1950

Capital: \$0.39Million

President & CEO: Robert J. Palmisano

Head Office: 5677 Airline Rd, Arlington, TN, U.S.A.

Employees: 1,400(As of 31 December, 2012)

Business Description: Manufacturing and sale of orthopedic medical devices

URL: http://www.wmt.com/