

NEWS RELEASE

**Establishment of New Company “Lilium Otsuka” to Develop
Innovative Medical Devices in the Field of Urology**

Tokyo, Japan, April 28, 2015 — Otsuka Medical Devices Co., Ltd. (“OMD”), a wholly owned subsidiary of Otsuka Holdings Co., Ltd., announced today that it is to form a new medical device business that will develop sensors for the non-invasive and continuous measurement of urine volume in the bladder.


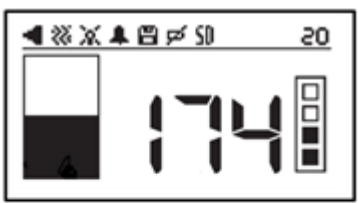
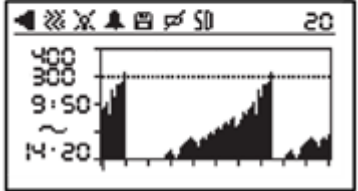
OMD has been investing in product development and business firms in fields such as gastrointestinal, cardiology, and orthopedic surgery. In order to develop urinary incontinence-related products to satisfy the significant unmet social and medical needs in the urological field, OMD entered into a partnership with UriCare Inc. to establish a new company, Lilium Otsuka Co., Ltd. UriCare has been marketing the unique bladder scanner Yuririn USH-052 in Japan and Lilium Otsuka will develop next-generation version based on this technology.

Also today, the National Institute of Advanced Industrial Science and Technology (AIST), UriCare, and Lilium Otsuka signed a contract for research and development and marketing of products using ultrasound urinary volume sensor technology owned by UriCare and AIST.

Japan has become an advanced-aged society and needs to address social challenges such as the extension of healthy life expectancy. Issues with urination control are known to affect patients who return home from the hospital and impose a heavy burden on nursing and caregiving services, and the parties to the new contract believe that the development and sale of innovative urological medical devices in this area will contribute to patients, as well as to those engaged in nursing and caregiving.

Under the corporate philosophy of “Otsuka-People creating new products for better health worldwide” shared by the Otsuka Group, OMD will contribute to the health of people worldwide by developing innovative products to create new markets.

Product Outline: Overview of the product covered by the contract.

Product category	Medical devices
Brand name	Yuririn USH-052
Approval number	21600BZZ00466000
Marketed by	UriCare Inc.
Date of approval in Japan	September 14, 2004
Class category	Class II
Price	240,000 yen (excluding tax)
Basic functions	1) Measuring post-void residual (PVR) in the bladder. 2) Continuous measurement of urine volume in the bladder.
Measurement concept	Estimates the amount of urine left in the bladder, as measured by ultrasound generated with a detachable probe, using an indicator consisting of the distance between the anterior and posterior walls of the bladder.
Background on development	AIST started by researching micturition and subsequently Yuririn USH-052 was put to practical use as the first medical device developed jointly by AIST and a private corporation.
Medical value of the technology	Measuring the amount of urine left in the bladder after urination (post-void residual) enables assessment of the ability to empty the bladder. Continuous measurement also enables efficient control of the appropriate timing of urination, such as through clean intermittent catheterization in patients who have lost the ability to urinate for any reason (i.e., cerebral infarction, spinal cord injury, or pelvic operation) and through urinary induction by nurse or caregiver during rehabilitation.
Product photo and screen illustrations	 <p style="text-align: center;">USH-052</p> <p>PVR mode</p>  <p>Continuous mode</p> 

Corporate Profile

Otsuka Medical Devices Co., Ltd.

Established:	February 15, 2011
Capital:	4.8 billion yen
Representative:	Hiroshi Shirafuji, President and Representative Director
Head Office :	2-9, Kanda-Tsukasa-cho, Chiyoda-ku, Tokyo
Employees:	8
Business Description:	Integration of all business activities directly and indirectly related to the Otsuka Group's medical device business
Shareholder:	Otsuka Holdings Co., Ltd. (100%)
Website (URL)	http://www.oms.otsuka.com/

(As of March 31, 2015)

Lilium Otsuka Co., Ltd.

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
Employees:	4
Business Description:	Research and development, manufacturing, and marketing of medical devices and related products
Shareholder:	Otsuka Medical Devices Co., Ltd. (100%)
Website (URL)	http://www.lilium.otsuka

(As of March 31, 2015)

UriCare Inc.

Established:	January 5, 2012
Capital:	6 million yen
Representative:	Miwako Yoshimura, President and Representative Director
Head Office :	4-12-6, Chiyoda, Chuo-ku, Sagamihara, Kanagawa
Employees:	8
Business Description:	Marketing and servicing of medical devices, manufacturing and marketing of IT equipment, and education
Website (URL)	http://www.yuririn.jp/

(As of March 31, 2015)