

**Regarding the Capital and Business Partnership
with Yutoku Pharmaceutical Ind. Co., Ltd.**

Hisamitsu Pharmaceutical Co., Inc. (Headquarter: Tosu City, Saga Prefecture; President and representative director: Hirotaka Nakatomi; Hereafter: “Our company”) and Yutoku Pharmaceutical Ind. Co., Ltd. (Unlisted; Headquarters: Kashima City, Saga Prefecture; President and representative director: Keiichi Ueno; Hereafter: “Yutoku Pharmaceutical”) entered into a capital partnership contract on Dec 27, 2011. On Jan 17, 2012, Yutoku Pharmaceutical obtained 18,000 shares (15% of the total number of issued shares). Therefore, we would like to announce as follows.

Description

1. Reasons of the capital and business partnership

The headquarters of our company and the headquarters of Yutoku Pharmaceutical are both located in Saga Prefecture. We both concentrate on the pharmaceutical manufacture and sales industry of patches with the main focus on external non-steroidal anti-inflammatory patches. Percutaneous absorption tapes with Ketoprofen called Mohrus Tapes® 20mg and the same percutaneous absorption tapes called Mohrus Tapes® 40mg have been made by our company. To make the most of the geographical advantage, the two companies have been selling Mohrus Tapes® 20mg since Dec 1995 and Mohrus Tapes® 40mg since Oct 2002. (Hereafter: Mohrus Tapes®.) Moreover, Yutoku Pharmaceutical’s sales of Mohrus Tapes®, which are supplied by our company, account for about 74% of their sales distribution ratio. (In the May 2011 accounting period.)

To lead to the current capital and business partnership, not only the business relationship of Mohrus Tapes®, but also the manufacturing technology of pharmaceuticals as well as sales know-how that focus on the two companies’ medicine for external use can be expected. From this, we are striving to expand our company’s business and improve our enterprise value.

2. Contents of the capital and business partnership

(1) Summary of the stock acquisition

1. Stock acquisition: Common stocks of Yutoku Pharmaceutical

2. Date of acquisition: Jan 17, 2012

3. Number of stock acquisition: 18,000 shares (15% of the total number of issued shares)

Moreover, our company is planning to have Yutoku Pharmaceutical as an affiliated company by applying the equity method.

(2) Director dispatch

Our company is planning to dispatch one or two directors to Yutoku Pharmaceutical through an election at Yutoku Pharmaceutical’s Annual Shareholders Meeting which is scheduled to be held in June this year.

(3) Summary of the business partnership

Our company actively promotes joint developments, consignment and acceptance of manufacture and sales, personnel exchange, and other business partnerships in which the synergistic effect, such as the manufacturing technology of pharmaceuticals as well as sales know-how that focus on the two companies’ medicine for external use, is expected. We are striving to expand our company’s business and improve our enterprise value.

3. Summary of Yutoku Pharmaceutical

- (1) Corporate name: Yutoku Pharmaceutical Ind. Co., Ltd.
- (2) Representative: President and representative director – Keiichi Ueno
- (3) Headquarters address: 2596-1 Oaza Noudomibun, Kashima City, Saga Prefecture
- (4) Business details: Manufacture and sales of pharmaceuticals such as external patches, adhesive plasters, etc., with the main focus on non-steroidal anti-inflammatory drugs
- (5) Capital: ¥120,000,000
- (6) Number of shares issued: 120,000 shares (unlisted)
- (7) Date of establishment: Oct 14, 1952
- (8) Accounting period: Mar 31

4. Future prospect

The influence of this capital and business partnership on the achievements of our company in the February 2012 period is expected to be insignificant at the present time.