

TOWA PHARMACEUTICAL CO., LTD. reaches an agreement with ESTEVE to acquire ESTEVE's generic division, Pensa Investments

The operation will accelerate TOWA's overseas business presence and provide high-quality and value-added generic medicines to patients.

Osaka/Barcelona. December 23, 2019. TOWA PHARMACEUTICAL CO.,LTD. (Osaka, Japan) (TOWA) and ESTEVE (Barcelona, Spain) announced today that TOWA will acquire 100% ownership of Pensa Investments, S.L. (Pensa), the generics division of the Spanish pharmaceutical company ESTEVE. The purchase price of Pensa will be an all cash deal with an upfront payment of 320 million euros. This acquisition is scheduled to be completed by the end of January 2020.

By acquiring Pensa, TOWA will be able to provide high-quality and value-added generic medicines to patients, not only in Japan but also abroad, by using a manufacturing factory that specializes in pellet preparation in Spain as well as its network of subsidiary companies in Europe and the United States.

The President of TOWA, Itsuro Yoshida, commented on the acquisition by saying: "I am happy that we can now build a foundation for full-scale overseas expansion by obtaining the sales networks that Pensa owns in Europe and the U.S., its know-how and knowledge on EMA/FDA regulations and commercial practices in each country, and its production facility in Europe. Our goal is to build a solid global structure by respecting and integrating one another's human resources, culture, and technologies. We will work unitedly as a group to provide TOWA's value-added products to patients all over the world."

In 2018, as part of its strategic plan, ESTEVE announced the company's intent to focus its business on proprietary products and areas of specialized medicine. Therefore, the divestiture of Pensa was a natural first step in advancing ESTEVE's journey of transformation. ESTEVE's Chief Executive Officer, Staffan Schüberg, commented: "TOWA is undoubtedly the ideal partner to develop the full potential of the ESTEVE generic division. At the same time, this operation will allow us to focus on our core businesses and speed up ESTEVE's transformation into a specialized and innovative global pharmaceutical company."

About TOWA PHARMACEUTICAL CO., LTD.

TOWA PHARMACEUTICAL CO., LTD. (www.towayakuhin.co.jp), a company specializing in generic drugs and based in Kadoma, Osaka (Japan), has been dedicated to the research and development, production, and marketing of generic drugs since 1951. With a team of more than 3,100 employees,

its annual sales total 105,104 million yen (as of March 2019). TOWA's shares are listed on the Tokyo Stock Exchange (TSE).

About ESTEVE

ESTEVE (www.esteve.com) is a global pharmaceutical company based in Barcelona (Spain). Its mission is to advance innovation in order to improve people's lives. Since its foundation in 1929, its focus has been to provide solutions for unmet medical needs. With a team of around 2,300 people, ESTEVE has an important presence in Europe, the United States, Mexico, and China. In 2018, it achieved a turnover of 758 million euros, 73% of which came from overseas markets (as of December 31st, 2018).

About PENSA Investments, S.L.

Pensa Investments, S.L. is the legal entity that provides affiliate pharmaceutical manufacturing facilities in Martorelles (Spain), including pharmaceutical development, and operates generic commercial subsidiaries in Europe and the United States.

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