

February 16, 2021

## ZENOAQ Group to Change to Holding Company Structure

### Establishment of ZENOAQ HOLDINGS CO., LTD.

[NIPPON ZENYAKU KOGYO CO., LTD.](#) (Fukushima Japan, President: Toshikazu Fukui, known as ZENOAQ) and [ZENOAQ RESOURCE CO., LTD.](#) (Fukushima Japan, President: Kuniaki Fukui) announced reorganization of entire group company from FY2021 in order to stabilize management and expand business. We will establish new business holding company "ZENOAQ HOLDINGS CO., LTD." and affiliate NIPPON ZENYAKU KOGYO CO., LTD., which mainly focuses on veterinary drugs, and ZENOAQ RESOURCE CO., LTD. (to be renamed as ZENOGEN PHARMA CO., LTD.), which mainly focuses on human medicine as wholly owned subsidiaries.

#### 1. Background of group reorganization

NIPPON ZENYAKU KOGYO CO., LTD. celebrates its 75th anniversary in 2021 and has grown to No. 1 in the domestic market share\* and 14th in the world ranking\* of veterinary drugs. In the current environment surrounding veterinary drugs, where the scale of the company is expanding and the speed and expertise of management decisions are strongly required, a new long-term plan "2030 Plan" will start in 2021, and therefore we thought it was the best time to reorganize the Group.

\* Domestic share: Source = Fuji Keizai (2020)

\* World ranking: Source = Animal Pharm (2019)

On the other hand, ZENOAQ RESOURCE CO., LTD. has been developing the business of human drug related products such as development/sales of medical devices, exploratory and applied researches for new drug candidates and vaccine adjuvants by introducing biotechnology, in addition to the cell cryopreservation solution (CELLBANKER) business manufactured by NIPPON ZENYAKU KOGYO CO., LTD. Therefore, we considered to make ZENOAQ RESOURCE CO., LTD. a "Company specializing in human drug-related businesses" and aim to accelerate and advance these researches.

#### 2. Reasons for shifting to a business holding company system

In the midst of major changes in the Group's business environment, in order to achieve sustainable growth in the future, such as expansion of its business portfolio, strategic alliances, gradual progress toward a "global company" and efforts in the field of human medicine as a growth driver, we considered that it is necessary to take a bird's-eye view of the entire Group and optimally allocate limited management resources to strengthen competitiveness in each business unit and have decided

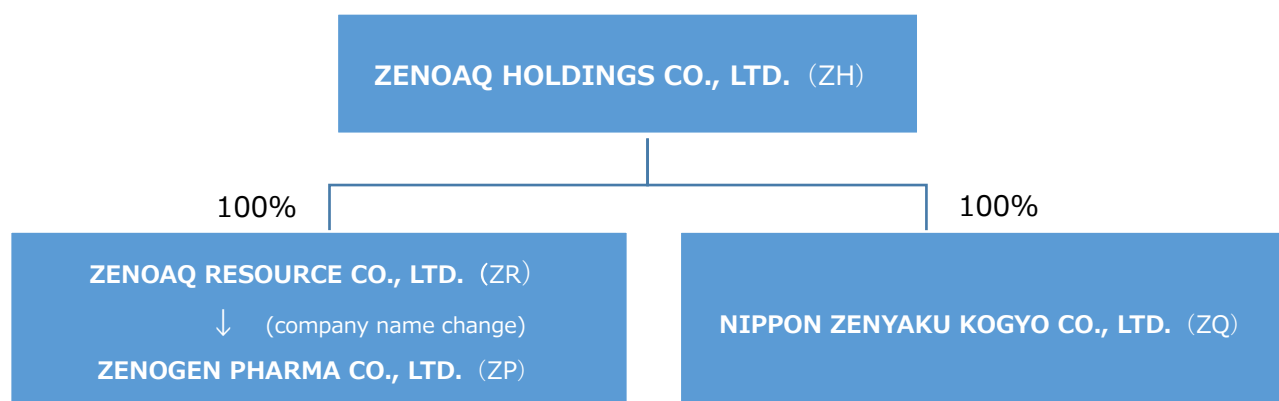
that it is appropriate to shift to a holding company system.

### Objectives

- (1) Progress toward a "global company" through flexible strategic alliances.
- (2) Early development of new businesses, establishment of a system to enter new markets and expansion of business portfolio.
- (3) Separation of Group management supervision and business execution, and strengthening of governance system.
- (4) Development of Group management personnel.

### 3. Holding company structure after Group reorganization

ZENOAQ HOLDINGS CO., LTD. will be newly established to provide timely and appropriate management guidance.



### 4. Overview of "ZENOAQ HOLDINGS CO., LTD."

Item	Content
Date of establishment	April 1, 2021
Head office location	1-1, Tairanoue, Sasagawa, Asaka-machi, Koriyama City, Fukushima Prefecture
Capital	100 million yen
CEO	Kuniaki Fukui

### 5. Future dates (2021)

Extraordinary general shareholders' meeting regarding approval of share transfer	March 22
Establishment of ZENOAQ HOLDINGS CO., LTD.	April 1
Company name change to ZENOGEN PHARMA CO., LTD.	July 1