

**Life Science Institute, Inc. (LSII) Completes Share Exchange
with PHC Holdings Corporation (PHCHD) as Part of their Agreement on Strategic
Capital Partnership**

**-PHCHD Has Acquired All Shares of LSI Medience Corporation and LSII Has
Received a Proportion of Shares of PHCHD**

Life Science Institute, Inc.

Life Science Institute, Inc. (LSII; Head office: Chiyoda-ku, Tokyo; President: Seiichi Kiso) is pleased to announce that LSII has completed the planned share exchange with PHC Holdings Corporation (PHCHD; Head office: Minato-ku, Tokyo; President: Michael Kloss) after competition law-related regulatory approval, that was part of their agreement on a strategic capital partnership announced on May 14, 2019. As a result of this transaction, PHCHD has acquired all shares of LSI Medience Corporation (LSIM; Head office: Chiyoda-ku, Tokyo; President: Haruo Watanabe), a subsidiary of LSII, and LSII has received 13.7% of the shares of PHCHD.

PHCHD offers value-added products and services across diabetes care, diagnostics, life sciences and healthcare IT. PHCHD will strengthen diagnostic business especially in the areas of oncology in addition to existing businesses, to establish its position as a global leader in diabetes care, diagnosis and life sciences, and aims to further strengthen its healthcare service business in Japan. With the acquisition of all shares of LSIM, PHCHD has acquired the knowledge accumulated over many years in LSIM's three major businesses of clinical testing / diagnostic reagents / diagnosis instruments and drug discovery solutions, and domestic customer bases. PHCHD will deliver unprecedented new value to the market by building a comprehensive healthcare platform globally and domestically.

Japan's healthcare market is expected to show continued expansion due to the growth of the nation's elderly population, enhanced measures on preventive care and health management, more advanced medical care, and other factors. Similar growth is anticipated overseas due to advances in medical care and diagnostic technology. In particular, demand for healthcare is expanding in China and ASEAN countries, on the back of economic growth and rising health consciousness.

Under this environment, PHCHD and LSII offer a broad range of clinical testing and healthcare IT solutions to Japanese medical institutions by mutually using PHCHD and LSIM business platforms. In overseas markets, meanwhile, both companies will accelerate growth in the worldwide diagnosis and life science business.

LSII President Seiichi Kiso commented, "We will globally combine PHCHD's advanced device development capabilities, production technology capabilities, healthcare IT platform, and overseas channels

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with LSIM's expertise and customer base accumulated over many years in the clinical testing business. I believe this allows us to create one of the largest clinical testing, diagnostic, and IT platforms in Japan, and offer a whole new value to the market. The partnership is also expected to speed up efforts currently under way to develop and commercialize Muse cell products in the regenerative medicine field through synergy with PHCHD's life science business."

About Life Science Institute, Inc.

Founded in 2014, Life Science Institute, Inc. promotes business in three healthcare domains: health and medical ICT business, next generation healthcare, and drug discovery solutions. By offering diverse solutions to people hoping for good health, such as a solution to meet patients' unmet medical needs, it aims to realize KAITEKI society in which people can lead healthy and comfortable lives. The consolidated net sales of Life Science Institute, Inc. in FY2018 131.8 billion yen.

For further information, please visit

www.lsi.co.jp/

About PHC Holdings Corporation

Incorporated in 2014, PHC Holdings Corporation is a global healthcare company with its subsidiaries including PHC Corporation and Ascensia Diabetes Care Holdings AG. Committed to its corporate mission, "We contribute to the wellbeing of society through our diligent efforts by creating new value propositions for all the people who wish for better health," the company develops, manufactures, sells and services medical equipment and solutions across diabetes care, diagnostics, life sciences and healthcare IT. PHC Holdings Corporation group's consolidated net sales in FY2018 was 186.8 billion yen with global distribution of products and services for more than 125 countries.

For further information on PHC Holdings Corporation, please visit

www.phcd.com

About LSI Medience Corporation

Founded in 1975, LSI Medience Corporation is engaged in clinical testing, diagnostics reagents and instruments, and drug development support service as its three core businesses. By utilizing its power of analysis developed in various testing fields in its long history as a core competence and analytical abilities on test results, LSI Medience Corporation aims to create new solutions. Contributing to prevention and early detection of diseases and medical care, it also actively supports next-generation healthcare including personalized medicine. LSI Medience is one of the comprehensive leading comprehensive healthcare service companies in Japan with 88.7 billion yen net sales in FY2018 and approximately 3,500 employees consolidated.

Life Science Institute, Inc.

For further information, please visit

www.mediience.co.jp/

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