



ICU Medical, Inc. and Otsuka Pharmaceutical Factory, Inc., a Subsidiary of Otsuka Holdings Co. Ltd., Announce Creation of a Joint Venture to Bolster IV Solutions Manufacturing and Innovation in North America

November 12, 2024

The partnership creates one of the largest global IV solutions manufacturing networks with combined production of an estimated 1.4 billion annual units and aims to bring additional supply chain resiliency and new innovation to the North American IV solutions market.

- **Joint venture becomes part of a global manufacturing network with scale and redundancy**
- **Intends to add long-term supply resiliency and accelerate IV solutions new product development in North America**
- **Combines Otsuka Pharmaceutical Factory, Inc.'s expertise and global manufacturing scale with ICU Medical's strong North American production and distribution**
- **ICU Medical to provide commercial services to the joint venture**
- **Expected to become operationally effective in early Q2 2025**
- **Full presentation available for view [here](#)**

SAN CLEMENTE, Calif. and TOKUSHIMA, Japan, Nov. 12, 2024 /PRNewswire/ -- [ICU Medical, Inc.](#) (NASDAQ:ICUI), a worldwide leader in the development, manufacture and sale of innovative medical devices, and Otsuka Pharmaceutical Factory, Inc. (OPF), global IV solutions manufacturing subsidiary of Otsuka Holdings Co., Ltd., together announce the creation of a joint venture to provide additional supply chain resiliency and innovation to the North American IV solutions market.



The joint venture brings together OPF's expertise and global manufacturing scale—spanning 16 separate IV solutions production sites across Asia—with ICU Medical's strong North American production and distribution in the same category. OPF's history of innovation and consistent investment in state-of-the-art IV solutions manufacturing technologies combined with ICU Medical's differentiated IV pumps and consumables will create a valuable offering for North American customers across these complementary infusion products.

Under the terms of the agreement, ICU Medical will provide commercial services for the joint venture to ensure seamless operations for North American customers. Key economic terms of the joint venture include an upfront payment of approximately \$200 million from OPF to ICU Medical at inception, performance-based milestones at the end of 2026, and a backend put-call option in 2030 and beyond.

Shuichi Takagi, President and Representative Director of OPF, commented, "Entering the North American market has always been part of our long-term ambition, and this joint venture with ICU Medical is the perfect way to do that." Takagi added, "It will allow us to bring our innovative PVC-free technologies—including admixtures, parenteral nutrition in advanced multi-chamber bags, and premix IV antibiotics—to a market with an established customer base."

"Otsuka's scale, experience with U.S. partnerships, and demonstrated long-term investment horizon made them the ideal partner," said Vivek Jain, ICU Medical's Chief Executive Officer. "Their financial strength and dedication to portfolio expansion will provide the stability and choice the North American market needs," added Jain. "Through this joint venture, we're committed to delivering clinical and economic value for ICU Medical customers and giving this critical product category the innovation and attention it deserves."

The North American IV solutions market has faced persistent supply chain challenges, including disruptions from Hurricane Maria in 2017 and Hurricane Helene in 2024, underscoring the urgent need for action and geographic supply chain redundancy. By partnering in this joint venture, ICU Medical and OPF will work together to pursue long-term FDA approval of overseas manufacturing sites and in the near term, seek import authorization if necessary for the U.S. market while focusing on accelerating new product development.

Investor Contacts:

Brian Bonnell, ICU Medical, Inc.
949-366-2183
Brian.Bonnell@icumed.com

John Mills, ICR, Inc.
646-277-1254
John.Mills@icrinc.com

Media Contact:

Harrison Richards, ICU Medical, Inc.
949-366-4261

About Otsuka Holdings Co., Ltd.: The corporate philosophy of Otsuka is "Otsuka-people creating new products for better health worldwide." The Otsuka group of companies, whose origins date back to 1921, strives daily to achieve the philosophy by creating innovative products, improving human health, and contributing to the lives of people worldwide. Otsuka has over 34,000 employees across 168 group companies in 32 countries and regions.

About Otsuka Pharmaceutical Factory, Inc. (OPF): OPF is the original company from which the Otsuka Group has grown. The management vision of OPF is "the best partner in clinical nutrition", and as a leading company in clinical nutrition in Japan has been developing, manufacturing, and selling IV solutions for over 75 years. Today, in addition to IV solutions, OPF provides a variety of products that contribute to solving issues in the healthcare setting.

About ICU Medical: ICU Medical Inc. (Nasdaq: ICUI) offers clinically essential medical devices that connect patients and caregivers through life-enhancing, innovative technology, and services that provide meaningful clinical value. The organization's robust portfolio features medical delivery systems and consumable products for infusion therapy, emergency medicine, general and regional anesthesia, home care, NICU/PICU, oncology, pain management, and respiratory care. More information about ICU Medical Inc. can be found at www.icumed.com.

Cautionary Note on Forward-Looking Statements:

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and may often be identified by the use of words such as "will", "may", "could", "should", "would", "project", "believe", "anticipate", "expect", "plan", "estimate", "forecast", "potential", "intend", "continue", "target", "build", "expand" or the negative thereof or comparable terminology, and may include (without limitation) information regarding the company's expectations, goals or intentions regarding the future, including, but not limited to, the proposed joint venture between the company and Otsuka Pharmaceutical Factory America, Inc. ("Otsuka"), the expected timetable for completing the proposed transaction, benefits and synergies of the proposed transaction, future opportunities for the company and products and any other statements regarding the company's and the proposed joint venture's future operations, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies, competition, and other expectations and targets for future periods.

These forward-looking statements are based on management's current expectations, estimates, forecasts and projections about the company and the proposed transaction and assumptions management believes are reasonable, all of which are subject to risks and uncertainties that could cause actual results and events to differ materially from those stated in the forward-looking statements. These risks and uncertainties include, but are not limited to, the parties' ability to consummate the transaction, including Otsuka's ability to terminate the transaction under certain conditions; the regulatory approvals required for the transaction not being obtained, or not being obtained on the terms expected or on the anticipated schedule; the other conditions to the completion of the transaction not being obtained; decreased demand for the products of the company or the proposed joint venture; decreased free cash flow; the inability to recapture conversion delays or part/resource shortages on anticipated timing, or at all; changes in product mix; increased competition from competitors; lack of continued growth or improving efficiencies; unexpected changes in the company's arrangements with its largest customers; the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction; changes in relevant tax and other laws; inherent uncertainties involved in the estimates and judgments used in the preparation of financial statements, and the providing of estimates of financial measures, in accordance with GAAP and related standards or on an adjusted basis; the completion of the joint venture being more difficult, time-consuming or costly than expected; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) being greater than expected following the transaction; the retention of certain key employees of the business being difficult; the company's and the proposed joint venture business's expected or targeted future financial and operating performance and results; the scope, timing and outcome of any ongoing legal proceedings and the impact of any such proceedings on the company's and the proposed joint venture business's consolidated financial condition, results of operations or cash flows; the company's and the proposed joint venture business's ability to protect their intellectual property and preserve their intellectual property rights; the effect of any changes in customer and supplier relationships and customer purchasing patterns; the ability to attract and retain key personnel; changes in third-party relationships; the impacts of competition; changes in economic and financial conditions of the company's business or the proposed joint venture's business; uncertainties and matters beyond the control of management; and the possibility that the company may be unable to achieve expected synergies and operating efficiencies in connection with the transaction within the expected time-frames or at all.

For more detailed information on the risks and uncertainties associated with the company's business activities, see the risks described in the company's Annual Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission (the "SEC") and in any subsequent filings with the SEC. You can access the company's Form 10-K and other filings through the SEC website at www.sec.gov, and the company strongly encourages you to do so. The company undertakes no obligation to update any statements herein for revisions or changes after the date of this communication.

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SOURCE ICU Medical, Inc.