

Henry Schein Partners With J. Morita To Expand Presence In Japan

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Henry Schein to Own a 50% Interest in a \$125 Million Subsidiary of J. Morita; Ken Iwase to Lead Expanded Henry Schein Japan

MELVILLE, N.Y., March 23, 2016 /PRNewswire/ -- Henry Schein, Inc. (NASDAQ: H SIC), the world's largest provider of health care products and services to office-based dental, animal health and medical practitioners, announced today that it has entered into a definitive transaction to expand its presence in Japan, the world's second-largest dental market, by partnering with J. Morita Corp.

As a result of the transaction, Henry Schein will own a 50% interest in One Piece Corp., a subsidiary of J. Morita, one of the world's largest manufacturers and distributors of dental equipment and supplies. One Piece is composed of eight dental dealers throughout Japan, which serve approximately 6,000 dental clinics and had aggregate sales in fiscal 2015 of approximately \$125 million. Henry Schein expects the transaction to be neutral to financial results. Financial terms of the transaction were not disclosed.

This transaction builds on Henry Schein's presence in Japan, which commenced in October 2014 with an investment in Iwase Dental Supply, Inc., a leading full-service provider of dental consumables, implants and equipment. Kenichiro (Ken) Iwase, the Managing Director of Iwase Dental Supply, will assume the leadership of Henry Schein's expanded presence in Japan.

"Japan represents an exciting strategic opportunity for Henry Schein," said Stanley M. Bergman, Chairman of the Board and Chief Executive Officer of Henry Schein, Inc. "While Iwase Dental serves customers in the greater Tokyo area, the One Piece dealers are located throughout the country, giving Henry Schein Japan a wide presence in the marketplace. We look forward to other Japanese dealers joining our partnership in the near future, as well as representing the products of all our dental suppliers, with the goal of providing the highest quality in service to all Japanese dentists.

"We are especially excited to partner with J. Morita, a company we have known for many years and whom we hold in the highest regard," Mr. Bergman said. "We look forward to working together to bring new services and solutions to the Japanese dental community, and we welcome our new colleagues at One Piece to Team Schein."

Japan has approximately 90,000 dentists and about 64,000 dental clinics. With the addition of One Piece, Henry Schein Japan will serve approximately 20% of Japan's dentists.

"We are very pleased to be working with Henry Schein, a global leader in oral health and a company whose values and business approach we share," said Haruo Morita, President and CEO of J. Morita. "Morita is dedicated to offering the best possible experience to patients and dental practitioners. This new partnership with Henry Schein will expand our mutual efforts to advance the dental profession in Japan for the benefit of the patient."

Morita, with 2015 fiscal year revenue of \$672 million, develops innovative equipment that meets the needs of dental clinics and helps provide better clinical care. The company distributes and retails dental products globally and provides after-sale service.

The eight dealers that comprise Morita's One Piece subsidiary are Asuka Dental Supply, based in Nara; Dentall Corp., based in Nagoya; DUS Co. Ltd., based in Kushiro; IDental Supply Co. Ltd., based in Gifu; Kuwabara Dental, based in Nigata; Oriental Dental Equipment, based in Oita; Sapporo Dental Corp., based in Sapporo; and Uchiyama Corp., based in Sendai.

"We are pleased to be joining with such highly respected partners as Morita and One Piece," said Henry Schein Japan Managing Director Ken Iwase. "Morita and One Piece share with Henry Schein a heritage of service to dental practitioners, and we look forward to working together to bring the best products and services to the Japanese dental community."

About Henry Schein, Inc.

Henry Schein, Inc. (NASDAQ:HSIC) is the world's largest provider of health care products and services to office-based [dental](#), [animal health](#) and [medical](#) practitioners. The Company also serves [dental laboratories](#), [government and institutional health care clinics](#), and other alternate care sites. A Fortune 500® Company and a member of the S&P 500® and the NASDAQ 100® indexes, Henry Schein employs nearly 19,000 [Team Schein Members](#) and serves more than one million customers.

The Company offers a comprehensive selection of products and services, including value-added solutions for operating efficient practices and delivering high-quality care. Henry Schein operates through a centralized and automated distribution network, with a selection of more than 110,000 branded products and Henry Schein private-brand products in stock, as well as more than 150,000 additional products available as special-order items. The Company also offers its customers exclusive, innovative technology solutions, including practice management software and e-commerce solutions, as well as a broad range of [financial services](#).

Headquartered in Melville, N.Y., Henry Schein has operations or affiliates in 33 countries. The Company's sales reached a record \$10.6 billion in 2015, and have grown at a compound annual rate of approximately 15% since Henry Schein became a public company in 1995. For more information, visit Henry Schein at www.henryschein.com, [Facebook.com/HenrySchein](https://www.facebook.com/HenrySchein) and [@HenrySchein on Twitter](https://twitter.com/HenrySchein).

Cautionary Note Regarding Forward-Looking Statements and Use of Non-GAAP Financial Information

In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, we provide the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements are identified by the use of such terms as "may," "could," "expect," "intend,"

"believe," "plan," "estimate," "forecast," "project," "anticipate" or other comparable terms. A full discussion of our operations and financial condition, including factors that may affect our business and future prospects, is contained in documents we have filed with the United States Securities and Exchange Commission, or SEC, and will be contained in all subsequent periodic filings we make with the SEC. These documents identify in detail important risk factors that could cause our actual performance to differ materially from current expectations.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: effects of a highly competitive and consolidating market; our dependence on third parties for the manufacture and supply of our products; our dependence upon sales personnel, customers, suppliers and manufacturers; our dependence on our senior management; fluctuations in quarterly earnings; risks from expansion of customer purchasing power and multi-tiered costing structures; increases in shipping costs for our products or other service issues with our third-party shippers; general global macroeconomic conditions; disruptions in financial markets; volatility of the market price of our common stock; changes in the health care industry; implementation of health care laws; failure to comply with regulatory requirements and data privacy laws; risks associated with our global operations; transitional challenges associated with acquisitions and joint ventures, including the failure to achieve anticipated synergies; financial risks associated with acquisitions and joint ventures; litigation risks; the dependence on our continued product development, technical support and successful marketing in the technology segment; increased competition by third party online commerce sites; risks from disruption to our information systems; cyberattacks or other privacy or data security breaches; certain provisions in our governing documents that may discourage third-party acquisitions of us; and changes in tax legislation. The order in which these factors appear should not be construed to indicate their relative importance or priority.

We caution that these factors may not be exhaustive and that many of these factors are beyond our ability to control or predict. Accordingly, any forward-looking statements contained herein should not be relied upon as a prediction of actual results. We undertake no duty and have no obligation to update forward-looking statements.

Included within the press release are non-GAAP financial measures that supplement the Company's Consolidated Statements of Income prepared under generally accepted accounting principles (GAAP). These non-GAAP financial measures adjust the Company's actual results prepared under GAAP to exclude certain items. In the schedules attached to this press release, the non-GAAP measures have been reconciled to and should be considered together with the Consolidated Statements of Income. These non-GAAP measures are not meant as a substitute for GAAP, but are included solely for informational and comparative purposes. The Company's management believes that this information assists in evaluating operational trends, financial performance, and cash generating capacity. However, the non-GAAP financial measures should not be regarded as a replacement for corresponding, similarly captioned, GAAP measures.

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/henry-schein-partners-with-j-morita-to-expand-presence-in-japan-300240239.html>

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