

ESTABLISHMENT OF JOINT VENTURE IN VIETNAM THROUGH SUBSIDIARY NPI

Nippon Chemiphar Co., Ltd.
(TSE: 4539)
December 4, 2014

Nippon Chemiphar Co., Ltd. (hereinafter “Chemiphar”) announced today that the board of directors has approved the establishment of a joint venture in Vietnam through the company’s wholly owned subsidiary Nihon Pharmaceutical Industry Co., Ltd. (hereinafter “NPI”).

1. Reason for Setting Up Joint Venture

With a local Vietnamese pharmaceutical company called M.S.T Pharm Co Ltd (hereinafter, MST) , Chemiphar set up a joint venture to increase Group-wide production capacity and reduce manufacturing costs.

The joint venture will initially focus on the manufacture of pharmaceutical products for the Japanese market, before expanding sales channels to include Vietnam and other Asian countries.

While the Chemiphar Group is working to maintain the high quality, it also ensure a stable supply and improve productivity of our generic drugs in order to meet the needs of medical professionals and patients.

2. Overview of the Joint Venture

(1) Name	Nippon Chemiphar Vietnam Joint Venture Co., Ltd. (provisional name)
(2) Location	Binh Duong Province, Socialist Republic of Vietnam
(3) Representative	TBA
(4) Business	Production of pharmaceuticals
(5) Paid in capital	US\$7,500,000
(6) Establishment date	March 2015 (tentative)
(7) Ownership ratio	NPI: 60%, M.S.T: 40%

3. Overview of NPI

(1) Name	Nihon Pharmaceutical Industry Co., Ltd.
(2) Location	2-3, Iwamoto-cho 2-chome, Chiyoda-ku, Tokyo
(3) Representative	Takashi Shimada, President & CEO
(4) Established	August 4, 1960
(5) Business	Production and marketing of pharmaceuticals
(6) Paid in capital	¥160 million

4. Overview of M.S.T

(1) Name	M.S.T Pharm Co Ltd
(2) Location	Ho Chi Minh City, Socialist Republic of Vietnam
(3) Representatives	Mr. Ong Van Dung (Chairman), Mr. Phan Huy (Legal representative)
(4) Business	Production of pharmaceuticals, wholesale and retail of pharmaceutical products and medical devices
(5) Established	January 2000
(6) Relationship with Chemiphar	No capital, personal, or business relationship. No relevant situation of related party.

5. Schedule

December 4, 2014: Approved by the board of directors (Chemiphar)

December 5, 2014: Approved by the board of directors (NPI)

December 2014: Joint venture agreement (tentative)

March 2015: Joint venture establishment (tentative)

6. Future outlook

The effect of the aforementioned establishment of a joint venture on our non-consolidated and consolidated financial results of March 2015 is expected to be immaterial.