

December 8, 2009

Company Name: Nippon Chemiphar Co., Ltd.
 Name of Representative: Kazushiro Yamaguchi
 President & CEO
 Code Number: 4539 TSE 1st Section
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Change in Subsidiary upon Termination of Comprehensive Capital and Business Alliance

Nippon Chemiphar Co., Ltd. (hereinafter the “Company”) today announced that the board of directors meeting held on December 8, 2009 approved the acquisition of the shares of Nihon Pharmaceutical Industry Co., Ltd. (hereinafter “NPI”), an affiliated company of the Company pursuant to the equity-method, and NPI becoming a subsidiary of the Company, upon the termination of a comprehensive capital and business alliance with Ranbaxy Laboratories Limited in India (hereinafter “Ranbaxy”).

1. Reasons for Share Acquisition

In September 2002, the Company entered into a comprehensive capital and business alliance with Ranbaxy, a company that globally undertakes a generic drug business, which included capital participation by Ranbaxy in NPI, the Company’s subsidiary at that time; and we have jointly conducted the development of generic drugs for the Japanese market.

In recent years, both the Company and Ranbaxy have discussed generic market scenario and emerging opportunities in Japan market. After the discussion, we concluded that it would be best for the enhancement of the corporate value of each company to develop its generic drug business independently. Therefore, we agreed today that we shall amicably terminate the comprehensive capital and business alliance, and that the Company shall acquire all of the shares of NPI owned by Ranbaxy (Netherlands) B.V.

2. Corporate Profile of the Subsidiary to Be Acquired (NPI)

(1) Company Name	Nihon Pharmaceutical Industry Co., Ltd.
(2) Location of Principal Office	2-3, Iwamoto-cho 2-chome, Chiyoda-ku, Tokyo
(3) Name/Position of Representative	Takashi Shimada, President & CEO
(4) Business	Production and marketing of pharmaceuticals
(5) Paid in Capital	¥160 million

(6)	Established	August 4, 1960		
(7)	Major Shareholders and their Shareholding Ratios	Ranbaxy Netherlands B.V.	(50.00%)	
		Japan Sopharchim Co., Ltd.	(19.96%)	
		Nippon Chemipharm Co., Ltd.	(16.70%)	
(8)	Relationship with the Company	Capital	The Company owns 16.70% of the issued and outstanding shares of NPI.	
		Personnel	As of the end of March 2009, Kazuhiro Yamaguchi (President & CEO of the Company) and Yasuo Kishi (Director of the Company) serve as directors of NPI, and Haruki Mori (Director of the Company) serves as an auditor of NPI.	
		Business	Purchase and marketing of finished goods and merchandise, and raw materials.	
(9)	Financial Results and Results for Operations for the Three Most Recent Fiscal Years			
	End of Fiscal Year	March 2007	March 2008	March 2009
	Net Assets	¥1,661 million	¥1,923 million	¥2,148 million
	Total Assets	¥2,777 million	¥3,889 million	¥3,775 million
	Net Assets per Share	¥5,191.02	¥6,010.30	¥6,714.95
	Sales	¥2,723 million	¥2,933 million	¥3,050 million
	Operating Profit	¥422 million	¥454 million	¥415 million
	Ordinary Profit	¥411 million	¥430 million	¥403 million
	Net Income	¥256 million	¥263 million	¥225 million
	Net Income per Share	¥800.29	¥824.19	¥705.99
	Dividends per Share	—	—	—

3. Corporate Profile of the Company from Which the Company Has Acquired Shares

(1)	Company Name	Ranbaxy (Netherlands) B.V.	
(2)	Location of Principal Office	Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands	
(3)	Name/Position of Representative	Mr. Omesh Sethi, Managing Director	
(4)	Business	Pharmaceuticals	
(5)	Paid in Capital	€393.97 million	
(6)	Established	December 14, 1993	
(7)	Net Assets	US\$603.50 million	
(8)	Total Assets	US\$620.11 million	
(9)	Major Shareholders and their Shareholding Ratios	Ranbaxy Laboratories Limited (100% ownership)	
(10)	Relationship with the Company	Capital	N/A
		Personnel	N/A
		Business	N/A
		Relevant Situation of Related Party	N/A

4. Number and Price of Shares to Be Acquired, and Portfolio of Shares before and after Acquisition

(1)	No. of Shares Held Before Change	160,000 shares (Note 1) (No. of voting rights: 160,000) (shareholding ratio: 50.0%)
(2)	No. of Shares to be Acquired	160,000 shares (acquisition price: ¥1,600 million) (No. of voting rights: 160,000) (shareholding ratio: 50.0%)
(3)	No. of Shares Held after Change	320,000 shares (Note 2) (No. of voting rights: 320,000) (shareholding ratio: 100.0%)

(Note 1) Before Change	Shares Owned by the Company	53,440 shares (shareholding ratio: 16.7%, No. of voting rights: 53,440)
	Borrowed Shares (Note)	106,560 shares (shareholding ratio: 33.3%, No. of voting rights: 106,560)
	Total	160,000 shares (shareholding ratio: 50.0%, No. of voting rights: 160,000)

(Note 2) After Change	Shares Owned by the Company	213,440 shares (shareholding ratio: 66.7%, No. of voting rights: 213,440)
	Borrowed Shares (Note)	106,560 shares (shareholding ratio: 33.3%, No. of voting rights: 106,560)
	Total	320,000 shares (shareholding ratio: 100.0%, No. of voting rights: 320,000)

(Note) Shares borrowed under Stock Loan Agreement.

5. Schedule

December 8, 2009	Resolution of the Board of Directors
December 8, 2009	Paying-in Date for Shares

6. Future Outlook

The effect of the aforementioned conversion of status of NPI into the Company's subsidy through share acquisition on our non-consolidated and consolidated financial results of March 2009 is expected to be immaterial. We shall promptly report to you in the event we become aware of any significant impact arising.

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