



December 13, 2013

To whom it may concern:

Company name: Nichi-Iko Pharmaceutical Co., Ltd.  
(Securities code: 4541 Tokyo Stock Exchange, First Section)  
Representative: Yuichi Tamura  
President and CEO  
Contact: Mitsuyuki Azuma  
General Manager of Corporate Planning  
Office

(Tel: 076-442-7026)

### **Notice of Final Agreement between the Company and Astellas Pharma Group for Business Acquisition of Fuji Plant**

Nichi-Iko Pharmaceutical Co., Ltd. (the "Company") hereby announces that, on December 13, 2013, the Company has signed the Final Agreement with Astellas Pharma Tech Co., Ltd. (headquarters: Chuo-ku, Tokyo; President and CEO: Takashi Shimizu; hereafter "Astellas Pharma Tech"), a Japanese production subsidiary of the Astellas Group, to acquire through company divestiture the business of the Fuji Plant (Fuji City, Shizuoka Prefecture), effective from April 1, 2014. This notice relates to the "Notice of Basic Agreement for Business Acquisition of Fuji Plant of Astellas Pharma Group", dated September 27, 2013.

#### Particulars

##### 1. Objective of the Acquisition of Fuji Plant's Business and Future Plans

With the publication of the Ministry of Health, Labour and Welfare's "Roadmap for Promoting the Greater Use of Generic Drugs" in April this year, which explicitly states the new target of raising the share by volume of generic drugs to 60% or more by the end of March 2018, it has become necessary for the Company to ensure stable supply for an increase in demand and to improve quality reliability and provision of information. The Final Agreement was signed on the judgment that powerful synergy could be expected through acquisition of the business.

The powerful synergy that can be expected includes the following:

- (1) To secure a stable supply by increasing production capacity
- (2) To promote reduction of costs by improving production efficiency, through utilizing the features of the large-scale production equipment of the plant by such means as increasing the scale and in-house production of the Company's products

- (3) Fusion with the excellent quality control / technological capabilities built up by the Astellas Group
- (4) To strengthen risk management through dispersion of production sites

At the same time, Astellas Pharma, to cope with the rapidly changing business environment and to realize sustainable growth, is seeking to both bolster its own production / technology functions and to establish a production system powerfully adaptive to changes through outsourcing manufacturing to external partners able to effectively ensure a stable supply of high quality pharmaceuticals. Astellas Pharma hopes to find a high quality and effective manufacturing outsourcing system for future high growth through the synergistic effect generated through the Fuji Plant under Nichi-Iko, whose basic concepts for quality and technology match with it.

## 2. The Business Acquisition Method

Following today's conclusion of the Final Agreement, a wholly owned subsidiary of Astellas Pharma Tech will be set up, and as of April 1, 2014 the business of the Fuji Plant will be taken over by such new company by an absorption-type company split, with all the shares of the new company held by Astellas Pharma Tech being transferred to Nichi-Iko.

Employees of the Fuji Plant will transfer to the new company, and will continue with the manufacturing of the Astellas products currently being manufactured by means of commissioned manufacturing, and will also establish a production structure which utilizes the synergy effect.

## 3. Date of the Business Acquisition

December 13, 2013	Signing of the Final Agreement
April 1, 2014	Completion of the business acquisition (to be confirmed)

## 4. Outline of Astellas Pharma Tech and the Fuji Plant

- Astellas Pharma Tech Co., Ltd.

Headquarters: 2-5-1 Nihonbashi-Honcho, Chuo-ku, Tokyo

Senior Representative: President and CEO Takashi Shimizu

Capital: 100 million yen

Business operations: Commissioned manufacturing of treatment pharmaceuticals / active pharmaceutical ingredients in Japan and for overseas  
 Commissioned manufacturing of clinical trial pharmaceuticals / active pharmaceutical ingredients, and active pharmaceutical ingredients for development

Employees: Approx. 1,670 (as of March 31, 2013)

Manufacturing sites: Takahagi Technology Center, Toyama Technology Center, Yaizu Technology Center, Takaoka Plant, Nishine Plant, Fuji Plant

- Fuji Plant, Astellas Pharma Tech Co., Ltd.

Location: 88 Nakagawara, Fuji City, Shizuoka Prefecture

Site Area: 96,506m<sup>2</sup>

Floor Area: 57,789 m<sup>2</sup>

Employees: 370 (as of March 31, 2013)

Types of materials produced: Tablets, capsules, powdered drugs, granules, injections

Production performance: Approx. 2 billion tablets, 5 million injections

(for the fiscal year ended March 31, 2013)

#### 5. Future Prospects

Though this acquisition is not expected at this stage to impact on consolidated performance for the fiscal year ending on March 31, 2014, it is expected to contribute to business performance from the succeeding period. Any changes occurring in the future will be made public immediately.

E N D