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To Whom It May Concern

Company Name: Nichi-Iko Pharmaceutical Co., Ltd.
(Securities Code: 4541- Tokyo Stock Exchange, First Section)
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Announcement of completion of new production facility by Aprogen Biologics Inc.

Nichi-Iko Pharmaceutical Co., Ltd. today announced the completion of the new facility “Osong cGMP Plant” by Aprogen Biologics Inc., a subsidiary of Aprogen Inc. which is a Korean affiliate of Nichi-Iko Pharmaceutical Co., Ltd.

To provide a stable supply of premium quality biosimilars to markets in the USA as well as Japan, Aprogen Biologics Inc. invested approximately 24 billion yen in the construction of the new biopharmaceutical production facility at Osong in South Korea that was completed today.

Cell culturing at the new facility is performed using a perfusion system, which, despite its small bioreactor, features a more than ten-fold improvement in production efficiency compared to the fed-batch culture systems used by other companies. It is recognized as an innovative new type of system with the potential for continuous production, as recommended by the Pharmaceuticals and Medical Devices Agency (PMDA).

Although numerous biopharmaceuticals have made a major contribution to the field of medicine by demonstrating excellent efficacy and specificity in clinical use, their high medical expenses are considered as a matter. With the aim of providing patients and their families with biosimilars at lower cost, Nichi-Iko Pharmaceutical commenced the joint development of biosimilars with its South Korean affiliate, Aprogen Inc., in October 2010. Nichi-Iko Pharmaceutical owns 33.41% of Aprogen Inc. and is an operational partner. Nichi-Iko also consigns biosimilar productions to Aprogen Inc. Regarding to the first biosimilar product for Nichi-Iko Pharmaceutical, infliximab was launched on November 29, 2017 in Japan, and currently is in Phase III clinical trials in the USA. The company is also proceeding with development in Japan, America, and Europe, with global phase III clinical trials of its trastuzumab biosimilar.

Nichi-Iko Pharmaceutical is working hard to ensure the stable supply of biosimilars and make a continuous contribution to cutting national healthcare costs.

Osong cGMP Plant

Address	Osongsaengmyeong 5-ro 5, Osong-eup, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, South Korea
Site area	42,318.3 m ² (12,801.3 tsubo)
Floor space	45,927.0 m ² (13,893.2 tsubo)
Building	One basement level, four above-ground levels
Facilities	Basement: Car parking, utilities, administrative department Level 1: Culturing, purification, drug production, and packaging rooms Level 2: Culturing and purification rooms, quality assurance department, GMP department Level 3: Research & development, management Level 4: Cafeteria, fitness center, auditorium, meeting rooms
Production capacity	Bio bulk drugs: 2,500 kg or more per year Finished products: 9,000,000 per year (5-mL vials) 4,500,000 per year (20-mL vials) 2,250,000 per year (50-mL vials)



Additional information

- Aprogen Inc. and Aprogen Biologics Inc.

Aprogen Inc. is a private company established in April 2000 in Seongnam City, South Korea that engages in the R&D and manufacture of biopharmaceuticals, including biosimilars. The company was the first to develop biosimilars in South Korea and its cell culture system developed in-house features high levels of productivity and cost-effectiveness. Its Aprogen Biologics Inc. subsidiary was established in 2014 to operate and manage the Osong cGMP Plant.