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To shareholders and all persons concerned

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Establishment of Pharmaceutical Production Plant in Vietnam

Nipro Corporation announced today that Nipro Pharma, its fully-owned subsidiary, will establish a fully-owned subsidiary in Vietnam, aiming to promote international expansion of Nipro's pharmaceutical product business.

The generic drug industry in Japan has been experiencing rapid business expansion, supported primarily by the government's generic drug promotion policy. As major original drug companies in Japan and foreign drug companies have seriously begun to enter the generic drug business, competition in the market is expected to further intensify.

The Pharmaceutical Business of Nipro Group has set a target to achieve net sales of ¥200 billion in fiscal 2020. To achieve this goal, it is urgently needed to implement globalization of sales channels and secure the cost competitiveness of the business. To this end, Nipro Pharma will establish a corporation in Vietnam that will operate a pharmaceutical product manufacturing plant (usage rights for a site for the plant was acquired at the end of 2011).

The new plant will be established with the aim to provide high-quality medicines to drug markets in developed countries, including Japan, at a low price, with a quality assurance system that ensures compliance with the requirements of the Trilateral GMP (*). Operations will start mainly with the production of injectable drugs, and will be expanded in the future to the manufacture of various types of medicines, including oral agents and external medicines. Sales channels will also be expanded within Vietnam and into other emerging countries.

(*) Trilateral GMP (good manufacturing practice): Standards for manufacturing and quality management established by Japan (Ministry of Health, Labour and Welfare), the United States (Food and Drug Administration), and Europe (European Medicines Evaluation Agency)

■ Outline of the New Corporation

Company name: Nipro Pharma Vietnam Limited (tentative name)

Location: Hai Phong, Socialist Republic of Vietnam (in the Vietnam Singapore Industrial Park (VSIP))

Land area: Approx. 150,000 m²

Business: Manufacture and sales of pharmaceutical products

Scheduled establishment: Late February 2012

Scheduled operation start up: Around April 2015

(Note) Capital stock information and other details of the new corporation will be announced as soon as they are decided.