



June 21, 2011

To whom it may concern:

Company name: Fuji Pharma Co., Ltd.
Representative: Hirofumi Imai, President & CEO
(Securities Code: 4554)
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Issuance of New Shares and Secondary Offering of Shares

Fuji Pharma Co., Ltd. (“the Company”), hereby announces that its Board of Directors resolved today to issue new shares and conduct a secondary offering of its shares as set forth below.

Today, the Company also received an approval from Tokyo Stock Exchange, Inc., for the listing of the Company’s shares on the Second Section of the Tokyo Stock Exchange. For details, please refer to the notice released today titled “ Listing of Fuji Pharma Co., Ltd., on the Second Section of the Tokyo Stock Exchange.”

Purpose of Financing

The Company enjoys a favorable business environment in that Japan’s generic drug market is growing steadily owing to a number of measures including the numerical target of increasing the market share of generic drugs to at least 30% by fiscal 2012, which was established by the Ministry of Health, Labour and Welfare to promote generic drugs as an important means to contain the national health care expenses.

Meanwhile, the expansion of the generic drug market is inviting Japanese pioneer drug manufacturers and foreign affiliated pharmaceutical companies to enter the generic drug market, increasingly tightening competition.

Under these circumstances, the Company is carrying out its medium-term business plan ending the fiscal year ending September 30, 2014 with the theme of “Good to Great,” aiming to achieve sustaining growth forever by shifting from Good to Great at all levels of the Company: the entire organization, each department or section and individuals. As one of its basic strategies, the Company sets out the goal to complete work on a network of factories that make highly activated drugs and can serve as a GMP (Good Manufacturing Practice) model for Japan as well as for the United States and EU. To this end, a factory is currently under construction at the site of the Company’s Toyama Plant as its No. 5 production plant for injection agents. Completed, the plant will serve to increase the production capacity of existing products, produce follow-on biologics, or biosimilars, to be launched, and, in the future, produce highly activated drugs, including anti-cancer drugs, to gain a foothold in the global drug market.

The financing activity announced today is designed to raise funds for investment in the No. 5 production plant that will play a key role in pursuing the Company’s growth strategies. The capital reinforcement will increase the Company’s financial strength, which is expected to bolster and expand its operational foundations for sustaining growth forever and contribute to better business performance and higher corporate value.

The issuance of new shares will improve the liquidity of the Company’s shares, and the increase in the number of shareholders will help reinforce the Company’s corporate governance.

1. Issuance of New Shares by Way of Offering (Public Offering)

- (1) Class and Number of Shares To Be Offered 1,100,000 shares of the Company's common stock
- (2) Method of Determination of Amount To Be Paid The amount to be paid to the Company (the "Issue Price") will be determined on any day in the period from Tuesday, June 28, 2011, to Friday, July 1, 2011 (the "Determination Date"), pursuant to the method stated in Article 25 of the Regulations Concerning Underwriting of Securities, etc., established by the Japan Securities Dealers Association ("JSDA").
- (3) Amount by Which Stated Capital and Legal Capital Surplus Are To Be Increased The amount by which stated capital is to be increased will be half of the maximum increased amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1, of the Rules of Account Settlement of Companies, with any fraction less than one yen resulting from such calculation being rounded up to the nearest yen. The amount by which legal capital surplus is to be increased will be the amount obtained by subtracting the amount by which stated capital is to be increased from the relevant maximum increased amount of stated capital.
- (4) Offering Method The offering will be a public offering (the "Public Offering") and the underwriting syndicate led by Nomura Securities Co., Ltd., as a lead manager (collectively, the "Underwriters") will purchase and underwrite all of the shares for the Public Offering. The offer price (the "Offer Price") for the Public Offering will be determined based on the provisional range calculated by multiplying the closing price of the shares of the Company's common stock in regular trading on the Osaka Securities Exchange on the Determination Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by 0.90–1.00 (any amount less than one yen will be truncated) and taking market demand and other factors into account, in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Securities, provided by the JSDA.
- (5) Compensation for Underwriters The Company will not pay an underwriting fee. Instead, the Underwriters will receive the aggregate amount of difference between the Offer Price and the Issue Price to be paid to the Company.
- (6) Subscription Period The subscription period will be from the business day immediately following the Determination Date until the second business day immediately following the Determination Date.
- (7) Payment Date Friday, July 8, 2011
- (8) Subscription Unit 100 shares
- (9) All necessary decisions in connection with the issuance and offering of new shares, including the Issue Price and the amount by which stated capital and legal capital surplus are to be increased, will be made at the discretion of Hirofumi Imai, President and CEO of the Company.
- (10) Each of the items above shall become effective when the relevant securities registration statement to be filed under the Financial Instruments and Exchange Act takes effect.

2. Secondary Offering of Shares (Secondary Offering by Way of Overallotment) (See Section 1 under Reference below.)

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| (1) Class and Number of Shares To Be Sold | Up to 150,000 shares of the Company's common stock
The above maximum number of shares to be sold may be reduced or the secondary offering of shares by way of overallotment may be cancelled entirely, depending on the market demand. The exact number of shares to be sold will be determined on the Determination Date, taking into account the market demand. |
| (2) Seller | Nomura Securities Co., Ltd. |
| (3) Selling Price | To be determined on the Determination Date. The selling price will be the same as the Offer Price for the Public Offering. |
| (4) Method of Secondary Offering | Nomura Securities will sell a maximum of 150,000 shares of the Company's common stock borrowed from the Company's shareholders, in consideration of the demand situation of the Public Offering. |
| (5) Subscription Period | The subscription period will be the same as the subscription period for the Public Offering. |
| (6) Delivery Date | Monday, July 11, 2011 |
| (7) Subscription Unit | 100 shares |
| (8) All necessary decisions in connection with the secondary offering of shares by way of overallotment, including the selling price, will be made at the discretion of Hirofumi Imai, President and CEO of the Company. | |
| (9) Each of the items above shall become effective when the relevant securities registration statement to be filed under the Financial Instruments and Exchange Act takes effect. | |

3. Issuance of New Shares by Way of Third-Party Allotment (See Section 1 under Reference below.)

- (1) Class and Number of Shares To Be Offered 150,000 shares of the Company's common stock
- (2) Method of Determination of Amount To Be Paid The amount to be paid to the Company will be determined on the Determination Date and be the same as the Issue Price for the Public Offering.
- (3) Amount by Which Stated Capital and Legal Capital Surplus Are To Be Increased The amount by which stated capital is to be increased will be half of the maximum increased amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1, of the Rules of Account Settlement of Companies, with any fraction less than one yen resulting from such calculation being rounded up to the nearest yen. The amount by which legal capital surplus is to be increased will be the amount obtained by subtracting the amount by which stated capital is to be increased from the relevant maximum increased amount of stated capital.
- (4) Allottee Nomura Securities Co., Ltd.
- (5) Subscription Date Wednesday, July 27, 2011
- (6) Payment Date Thursday, July 28, 2011
- (7) Subscription Unit 100 shares
- (8) The Company will discontinue the issuance of the shares that have not been subscribed to by the subscription date in Item (5) above.
- (9) All necessary decisions in connection with the issuance of new shares by way of third-party allotment, including the issue price and the amount by which stated capital and legal capital surplus are to be increased, will be made at the discretion of Hirofumi Imai, President and CEO of the Company.
- (10) Each of the items above shall become effective when the relevant securities registration statement to be filed under the Financial Instruments and Exchange Act takes effect.

<Reference>

1. Secondary offering by way of overallotment

The secondary offering by way of overallotment described under "2. Secondary Offering of Shares (Secondary Offering by Way of Overallotment)" is a secondary offering to be made in conjunction with the Public Offering described under "1. Issuance of New Shares by Way of Offering (Public Offering)" of shares of the Company's common stock in an amount not exceeding 150,000 shares, which will be borrowed by Nomura Securities, the lead manager of the Public Offering from a certain shareholder of the Company taking into account market demand and other conditions. It is estimated that the number of shares to be offered in the secondary offering by way of overallotment will be 150,000 shares, which represents the maximum number of shares to be offered, and the number may decrease or the secondary offering by way of overallotment may not be carried out in its entirety depending on market demand and other conditions.

In connection with the secondary offering by way of overallotment, the Board of Directors of the Company resolved, at the meeting held on Tuesday, June 21, 2011, that the Company will issue 150,000 shares of its common stock to Nomura Securities, the allottee, by way of third-party allotment (the "Third-Party Allotment"), with a payment date of Thursday, July 28, 2011, for the purpose of enabling Nomura Securities to procure the shares necessary for returning the shares it borrowed from a certain shareholder of the Company (the "Borrowed Shares").

In addition, Nomura Securities may purchase shares of the Company's common stock on the Osaka Securities Exchange or the Tokyo Stock Exchange up to the number of shares to be offered in the secondary offering by way of overallotment (the "Syndicate Cover Transactions") during the period from the day immediately following the last day of the subscription period of the Public Offering and the secondary offering by way of overallotment to Thursday, July 21, 2011 (the "Syndicate Cover Transaction Period") for the purpose of returning the Borrowed Shares. All shares obtained by Nomura Securities through the Syndicate Cover Transaction will be apportioned for the return of the Borrowed Shares. However, during the Syndicate Cover Transaction Period, Nomura Securities, at its sole discretion, may not conduct any Syndicate Cover Transactions or may terminate the Syndicate Cover Transactions before the number of shares purchased reaches the number of shares offered in the secondary offering by way of overallotment.

Furthermore, Nomura Securities may conduct stabilization transactions accompanying the Public Offering and the secondary offering by way of overallotment, and some or all of the shares of the Company's common stock obtained by those stabilization transactions may be used to return the Borrowed Shares.

Nomura Securities plans to accept the allotment under the Third-Party Allotment of an equivalent number of shares of the Company's common stock obtained by deducting a) the number of shares acquired through stabilization transactions and the Syndicate Cover Transactions that are to be applied to return the Borrowed Shares from b) the number of shares to be offered in the secondary offering by way of overallotment (the "Number of Shares to be Acquired"). Accordingly, all or part of shares to be issued under the Third-Party Allotment may not be subscribed for, which may result in a decrease in the maximum number of shares to be ultimately issued under the Third-Party Allotment, or in the cancellation of the entire issuance due to forfeiture.

In the event that Nomura Securities accepts the allotment under the Third-Party Allotment, it shall use the funds obtained from the secondary offering by way of overallotment as payment for the Number of Shares to be Acquired.

2. Change in the number of issued shares as a result of this issuance of new shares by public offering and by way of third-party allotment

Total number of issued shares at present	12,870,000
Increase in the number of shares by way of the Public Offering	1,100,000
Total number of issued shares after the Public Offering	13,970,000
Increase in the number of shares by way of the Third-Party Allotment	150,000 (Note)
Total number of issued shares by way of the Third-Party Allotment	14,120,000 (Note)

Note:

These figures are based on the assumption that the shares to be offered specified in "3. Issuance of New Shares by Way of Third-Party Allotment" are all fully subscribed by Nomura Securities and issued.

3. Use of proceeds

(1) Use of proceeds

We estimate that the net proceeds from the Public Offering and the issuance of new shares by way of the Third-Party Allotment will be a maximum of ¥1,697,500,000. By the end of September 2011, ¥1,041,000,000 out of the total amount is scheduled to be used for capital investment toward “Building and structures” (¥149,000,000) and “Machinery and equipment as well as tools, furniture and fixtures” (¥892,000,000) for a factory for injection agents (Toyama Plant No. 5 production plant for injection agents). The rest of the proceeds will be partially appropriated to repayment funds for the loans from financial institutions, which were acquired for use as capital investment funds in this new plant and of which the repayment maturity will expire during the fiscal years ending September 2011 and September 2012.

A summary of the facilities plan concerning the facilities that are subject to the intended investments as of June 21, 2011 is as follows.

Establishment name (Location)	Description of facilities	Amount planned to be invested		Fund-raising method	Schedule for start and completion of construction/installation		Capacity to be increased
		Total amount (Millions of yen)	Amount already paid (Millions of yen)		Start	Completion	
Toyama Plant No. 5 production plant for injection agents (Toyama City, Toyama)	Buildings and structures	1,734	1,585	Increase in capital, loans and own funds	February 2010	November 2011	An increase of 30% in capacity
	Machinery and equipment, as well as tools, furniture and fixtures	2,382	1,490				

(2) Change in the previous use of proceeds

Not applicable

(3) Effect on performance

The Company does not intend to change its earnings forecasts for the year ending September 31, 2011, from those released on April 28, 2011. The Company believes that the proceeds to be raised at this time will contribute to raising earnings through the future enhanced production and sales of diagnostic drugs, of which a production increase is planned in the future, and of G-CSF formulation, etc., the follow-on biologics or biosimilars, to be launched by 2013.

4. Profit distribution to shareholders, etc.

(1) Basic policy concerning profit distribution

The Company's policy concerning the allocation of earnings is to increase retained earnings to fund future business operations while paying a stable and consistent dividend that reflects earnings in each fiscal year, the dividend payout ratio and all other applicable items.

(2) Concept of determination of dividends

Based on the above basic policy, the Company has reviewed and determined to ensure and distribute stable interim dividends in view of the projected annual payout ratio based on the full-year business performance outlook. The year-end dividend is determined with consideration to achieving the goal of an approximately 20% annual payout ratio based on the business performance. For the year ending September 31, 2014, the Company's target will be to reach a payout ratio of 30%.

(3) Use of retained earnings

The Company plans to apply its retained earnings to enhance research and development, improve production capacity and efficiency, and increase its sales force, in order to strengthen its base of operations and increase corporate value.

(4) Dividends, etc., for the past three fiscal years

	Fiscal year ended September 31, 2008	Fiscal year ended September 31, 2009	Fiscal year ended September 31, 2010
Net income per share	¥97.26	¥118.57	¥151.05
Annual dividends per share (including interim dividends per share)	¥20.00 (¥10.00)	¥24.00 (¥11.00)	¥30.00 (¥13.00)
Actual payout ratio	20.6%	20.2%	19.9%
Return on equity	8.6%	9.8%	11.4%
Ratio of dividends/net assets	1.8%	2.0%	2.3%

Notes:

1. The actual payout ratio is a fraction, the numerator of which is "Annual dividends per share" and the denominator of which is "Net income per share."
2. Return on equity is a fraction, the numerator of which is "Net income" and the denominator of which is "Shareholders' equity" (shareholders' equity is calculated by averaging out net assets less subscription rights to shares and minority interests, from the beginning to the end of the relevant fiscal year).
3. The ratio of dividends/net assets is a fraction, the numerator of which is the total number of dividends paid per share during the relevant fiscal year and the denominator of which is the amount of net assets per share (net assets per share is calculated by averaging out the net assets per share from the beginning to the end of the relevant fiscal year).

5. Other matters

- (1) Designation of party to receive distribution

Not applicable

- (2) Information on dilutive shares

Not applicable

- (3) Information on past equity financings

- 1) Equity finance for the past three years

Not applicable

- 2) Change in share prices, etc., for the past three fiscal years and at the most recent point in time

	Fiscal year ended September 31, 2008	Fiscal year ended September 31, 2009	Fiscal year ended September 31, 2010	Fiscal year ending September 31, 2011
Opening	¥2,200	¥1,618	¥1,772	¥1,592
High	¥2,720	¥1,848	¥1,940	¥1,653
Low	¥1,224	¥1,125	¥1,331	¥1,120
Closing	¥1,600	¥1,845	¥1,599	¥1,508
Price/earnings ratio	16.45 times	15.56 times	10.59 times	—

Notes:

- Share prices for the fiscal year ending September 31, 2011, are shown as of Monday, June 20, 2011.
- The price/earnings ratio is a fraction, the numerator of which is the share price (closing price) as at the end of each fiscal year and the denominator of which is net income per share for the relevant fiscal year.
- Change in Allottees' holding policy for shares issued by way of Third-Party Allotment for the past five years

Not applicable

- (4) Lock-up period

In connection with the Public Offering, Hirofumi Imai, a shareholder of the Company, Mitsui & Co., Ltd., and FJ Planning have agreed with Nomura Securities not to sell the Company's shares, in principle, during the period commencing on the Determination Date and ending on the day that falls on the 90th day after the delivery date for the Public Offering (the "Lockup Period") without the prior written consent of Nomura Securities.

The Company also has agreed not to issue the Company's shares, not to issue securities that are convertible into or exchangeable for the Company's shares and not to issue any other securities that represent the right to acquire or receive the Company's shares (excluding the issuance of new shares by way of the Public Offering, by way of the Third-Party Allotment or the issuance of the shares in connection with stock splits, etc.) during the Lockup Period without the prior written consent of Nomura Securities.

In any of the above cases, Nomura Securities has the authority to waive all or a part of the conditions of that agreement during the Lockup Period at its own discretion.

This press release has been prepared for the purpose of publicly announcing certain matters relating to the issuance of new shares and the secondary offering of the Company's shares and not for the purpose of soliciting investment or engaging in any other similar activity. Investors who intend to invest in the Company's shares are requested to make a determination at their own discretion by carefully referring to the prospectus regarding the issuance of new shares and the offering of the Company's shares, which must be prepared by the Company, as well as any corrections thereto (if revisions to any documents have been prepared).