



PRESS RELEASE:

February 9, 2021
Fuji Pharma Co., Ltd.

Notice Regarding the Dissolution of Capital Alliance and the Continuation of Business Partnership with MITSUI & CO., LTD.

Fuji Pharma Co., Ltd. (hereinafter refer to as the “Fuji Pharma”) decided at the Board of Directors meeting held today that Fuji Pharma is going to terminate the capital and business alliance partnership agreement sealed with MITSUI & CO., LTD. (hereinafter referred to as “Mitsui & Co.”) on March 20, 2014 (hereinafter refer to as the “Contract”) , dissolve the capital relationship, and conclude the business partnership agreement with the aim to establish a new business partnership (hereinafter referred to as the “New Contract”). Hence, Fuji Pharma would like to make an announcement as stated below:

1. Reason for the Dissolution of the Capital Alliance

Fuji Pharma and Mitsui & Co. have been engaged in the capital and business alliance partnership (hereinafter refer to as the “Partnership”) based on the Contract for over 6 years. Through the Partnership, Fuji Pharma has been implementing measures that steadily improved the corporate value, such as the acquisition of the right to develop drugs, a new drug candidate in the women’s health domain; a stable and efficient procurement of raw materials of the drugs manufactured and sold by Fuji Pharma; the enforcement of contract manufacturing business and the development of manufacturing and sales business of OLIC (Thailand) Limited, which is a consolidated subsidiary of Fuji Pharma (hereinafter referred to as “OLIC”; together with Fuji Pharma, collectively referred to as the “Group”). Therefore, we could facilitate a good foundation for realizing the 2030 vision successfully.

Fuji Pharma and Mitsui & Co. have proven that the capital alliance based on the Contract has served and realized its original purpose and therefore decided to terminate the capital relationship. Meanwhile, as for the business partnership, to continuously strengthen the alliance to improve the corporate value of both companies, we determined and agreed to establish a new business partnership by reviewing a part of the content.

2. Description of the Dissolution of the Capital Alliance

Fuji Pharma confirmed that Mitsui & Co. intends to sell 6,875,000 stocks of Fuji Pharma that Mitsui & Co. owns (the ratio against the total number of outstanding shares (excluding treasury shares): 22.05%) together with the dissolution of the capital alliance. In accordance with Mitsui & Co.’s intention, we have done careful and thorough study including the impact on the demand and supply of the stock market and our financing capability as well as the return to shareholders. As a result, we have come to a conclusion that it is the best of action to conduct share buyback once Mitsui & Co. sells the stocks.

3. Overview of the Dissolution of the Capital Alliance and the Business Partner (As of September 30, 2020, Unless Otherwise Indicated)

(1)	Name	MITSUI & CO., LTD.
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(2)	Address	2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	
(3)	Title and name of the representative	Tatsuo Yasunaga, President and Chief Executive Officer	
(4)	Description of business	Global operating locations, network and information resources, we are multilaterally pursuing business that ranges from product sales, worldwide logistics and financing, through to the development of major international infrastructure and other projects in the following fields: Iron & Steel Products, Mineral & Metal Resources, Energy, Infrastructure Projects, Mobility, Chemicals, Food, Food & Retail Management, Healthcare & Service, IT & Communication Business, Corporate Development Business.	
(5)	Capital	342,080,092,006 yen	
(6)	Date established	July 25, 1947	
(7)	Number of outstanding stocks	1,717,104,808 stocks	
(8)	Account closing date	March 31	
(9)	Number of employees	45,624 (consolidation base, as of March 31, 2020)	
(10)	Major business partner	Investors, companies including issuers	
(11)	Main bank	Sumitomo Mitsui Banking Corporation / Mizuho Bank, Ltd. / MUFG Bank, Ltd. / Sumitomo Mitsui Trust Bank, Limited / Japan Finance Corporation (Japan Bank for International Cooperation)	
(12)	Major shareholder and shareholding ratio	The Master Trust Bank of Japan, Ltd. (trust account)	10.82%
		Custody Bank of Japan, Ltd. (trust account)	5.88%
		BNYM AS AGT/CLTS NON TREATY JASDEC (standing proxy: MUFG Bank, Ltd.)	5.40%
		Custody Bank of Japan, Ltd. (trust account 5)	2.11%
		Nippon Life Insurance Company	2.08%
		JP MORGAN CHASE BANK 385781 (standing proxy: Mizuho Bank, Ltd.)	1.59%
		Sumitomo Mitsui Banking Corporation	1.52%
		State Street Bank West Client - Treaty 505234 (standing proxy: Mizuho Bank, Ltd.)	1.33%
		Custody Bank of Japan, Ltd. (trust account 7)	1.22%
		Barclays Securities Japan Ltd.	1.20%
(13)	Relationship of companies		
	Capital relationship	As of today, Mitsui & Co. owns 6,875,000 stocks of Fuji Pharma (the ratio against the total number of outstanding shares as of September 30, 2020 (excluding treasury shares): 22.05%). After the dissolution of the capital alliance, the companies' capital relationship is terminated. Fuji Pharma does not hold the stocks of Mitsui & Co.	

	Personnel relationship	A director is currently dispatched to Fuji Pharma by Mitsui & Co. We confirmed that the said person has agreed to resign as a director of Fuji Pharma at an appropriate time following the dissolution of the capital alliance. In addition, two Mitsui & Co. employees are seconded to Fuji Pharma, and one of them is dispatched to OLIC, our consolidated subsidiary.		
	Business relationship	Fuji Pharma conducts business transactions, such as raw material purchase, with Mitsui & Co.		
	Applicability to a related party	Mitsui & Co. is regarded as the largest shareholder and other affiliated company being a major shareholder that owns 22.05% of the voting rights of our stocks. After the dissolution of the capital alliance, such a relationship will be also terminated.		
(14) Business performance and financial status of the recent 3 years				
Fiscal year		Fiscal year ended in March 2018	Fiscal year ended in March 2019	Fiscal year ended in March 2020
Total assets		11,306,660	11,945,779	11,806,292
Parent company owner's equity interest per share (yen)		2,287.10	2,452.81	2,235.83
Revenue		4,892,149	6,957,524	6,885,033
Gross profit		790,705	838,467	839,423
Net income (loss) (attributable to the owner of the parent company)		418,479	414,215	391,513
Basic earnings per share (loss) (yen)		237.67	238.33	226.13

(Unit: million yen unless otherwise indicated)

4. Schedule

The Board of Directors' resolution date	February 9, 2021
Termination date of the Contract and effective date of the New Contract (Plan)	February 10, 2021
Date of share buyback (Plan)	February 10, 2021

5. Description of the New Business Partnership after the Dissolution of the Capital Alliance

The business partnership in accordance with the New Contract agreed by Fuji Pharma and Mitsui & Co. targets pharmaceutical and related businesses in the Japanese and overseas markets (hereinafter referred to as the "Target Business"), and the description is as follows:

- (1) Partnership with Mitsui & Co., its subsidiaries, and affiliates (hereinafter referred to as the "Mitsui Group") with regard to the acquisition of the development, manufacturing, and sales rights for the Target Business conducted by Fuji Pharma in Japan
- (2) Partnership with Mitsui Group with regard to the development of the Target Business conducted by Fuji Pharma in Japan and the supply of products, intermediate products, and ingredients for development and manufacturing and sales activities
- (3) Partnership with Mitsui Group when our Group is going to expand the sales and sales channels of the Target Business outside Japan

- (4) Partnership with Mitsui Group with regard to the utilization of OLIC and the expansion of logistics, distribution and sales channel, and sales new products of OLIC's new products
- (5) Partnership between our Group and Mitsui Group when Mitsui Group promotes healthcare and pharmaceutical businesses including the Target Business in the Japanese and overseas markets

6. Resignation of a Director after the Dissolution of Capital Alliance

Naoki Aoyama, our director, was proposed as a candidate to be a director by Mitsui & Co. based on the Contract and elected as a director at the General Meeting of Shareholders of Fuji Pharma held on December 18, 2020. We confirmed that Naoki Aoyama has agreed to resign as a director of Fuji Pharma at an appropriate time following the conclusion of the New Contract together with the termination of the Contract.

For further information, contact

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