

Translation

## Chugai to Establish “Chugai Pharmabody Research Pte. Ltd.” in Singapore, a New Company for Generating New Antibody Drugs

December 15, 2011- Chugai Pharmaceutical Co., Ltd. (“Chugai”) [Head Office: Chuo-ku, Tokyo. President: Osamu Nagayama] announced today that it will establish in Singapore, “Chugai Pharmabody Research Pte. Ltd.” (“CPR”), a new company for conducting research focusing on the generation of new antibody drugs by utilizing Chugai’s proprietary innovative antibody engineering technologies.

CPR will employ diverse researchers with variety of nationalities and expertise. Researchers will rapidly and efficiently generate antibody drug candidates with potential of dramatic improvement of therapeutic effect by applying Chugai’s novel antibody engineering technologies. CPR aims at generating five or more drug candidates per year which would strengthen Chugai’s product pipeline even further.

Chugai has developed proprietary “Recycling Antibody”<sup>\*1</sup> technology (published in *Nature Biotechnology* in October 2010) which enabled single antibody molecule to repeatedly block the function of the target antigen which was impossible using conventional antibodies. In addition, Chugai further evolved this technology, and succeeded in developing “Sweeping Antibody”<sup>\*2</sup> technology which enabled elimination of the target antigen from the plasma, which was also impossible using conventional antibodies. These novel antibody engineering technologies are expected to achieve therapeutic effects in numerous diseases that were previously considered not possible using conventional antibodies<sup>\*3</sup>.

Chugai has been actively working to build networks with research institutes in Japan and overseas. CPR will be Chugai’s fourth satellite research institute following C&C Research Laboratories in South Korea, Pharmalogicals Research Pte. Ltd. in Singapore, and Forerunner Pharma Research Co., Ltd. in Tokyo.

As Japan’s leading company in biopharmaceuticals, Chugai will continue to develop innovative technologies and apply those technologies to create drugs that meet unmet medical needs, for the benefit of the medical community and human health around the world.

[Outline of the new company]

1. Company name (planned): Chugai Pharmabody Research Pte. Ltd.
2. Location (planned): 3 Biopolis Drive, Synapse, Singapore 138623
3. Capital: 1.5 million Singapore dollars (100% investment by Chugai)
4. Description of business: Commissioned generation of new antibody drug candidates
5. CEO/COO: Koichi Matsubara, Member of the Board and CEO;  
Hisafumi Okabe, Member of the Board and COO
6. Planned date of establishment: January 2012
7. Number of employees: Approximately 60

Notes

- \*1 Recycling Antibodies: Antibody which can bind to the antigen multiple times by recycling the antibody. Conventional antibody can bind to the antigen only once.
- \*2 Sweeping Antibodies: Antibody which can actively eliminate the target antigen from the plasma in addition to binding to the antigen. Conventional antibody just binds to the target antigen, and the target antigen is rather accumulated in the plasma as an antibody bound form.
- \*3 Innovative antibody technologies enable expansion of the target antigen for therapeutic antibodies. Conventional antibody had limitations, and could not target antigens having an extremely high plasma concentration, or antigens which themselves are toxic when present in the plasma. Such antigens can be targeted by applying these novel technologies. Moreover, these technologies significantly improve the convenience by reducing doses and administration frequency.