



Chugai Pharmaceutical Co., Ltd.
Kowa Company, Ltd.

Selective SGLT2 Inhibitor “DEBERZA®” Enters a New Phase - License Agreement Expanded to Cover US and EU -

TOKYO and NAGOYA, November 9, 2015 -- Chugai Pharmaceutical Co., Ltd. (TOKYO: 4519) and Kowa Company, Ltd. (Kowa) announced today that both companies have agreed to expand the license agreement to include US and EU for Chugai’s original selective SGLT2 inhibitor, currently marketed by Kowa under the brand name “DEBERZA® tablets 20mg” (generic name: tofogliflozin hydrate) with the indication of type 2 diabetes in Japan.

Under this agreement, Kowa will acquire the exclusive rights to develop and market the product, and conduct research, development and marketing activities for the combination drug in the US and EU, while Chugai will be responsible for supplying the drug and active pharmaceutical ingredients (API). Under the terms of this agreement, Chugai will receive an upfront fee, milestone payments and royalty from Kowa.

DEBERZA is a selective inhibitor of sodium-glucose cotransporter 2 (SGLT2), created by Chugai. It lowers blood glucose by inhibiting glucose reabsorption in the kidney and inducing excretion of excess blood glucose into urine. For overseas development, Chugai and its strategic alliance partner, F. Hoffman-La Roche Ltd. jointly conducted global phase II trial with approximately 400 type 2 diabetes patients in 2009.

Chugai and Kowa hope that DEBERZA will offer a new treatment option for the treatment of type 2 diabetes and contribute to the patients in the US and EU.

For the Japanese market, Chugai has out-licensed tofogliflozin to Sanofi K.K. in addition to Kowa.

About Chugai

Chugai Pharmaceutical is one of Japan's leading research-based pharmaceutical companies with strengths in biotechnology products. Chugai, based in Tokyo, specializes in prescription pharmaceuticals and is listed on the 1st section of the Tokyo Stock Exchange. As an important member of the Roche Group, Chugai is actively involved in R&D activities in Japan and abroad. Specifically, Chugai is working to develop innovative products which may satisfy the unmet medical needs, mainly focusing on the oncology area.

In Japan, Chugai's research facilities in Gotemba and Kamakura are collaborating to develop new pharmaceuticals and laboratories in Ukima are conducting research for technology development for industrial production. Overseas, Chugai Pharmabody Research based in Singapore is engaged in research focusing on the generation of novel antibody drugs by utilizing Chugai's proprietary innovative antibody engineering technologies. Chugai Pharma USA and Chugai Pharma Marketing are engaged in clinical development activities in the United States and Europe.

The consolidated revenue in 2014 of Chugai totaled 461.1 billion yen and the operating income was 77.3 billion yen (IFRS Core basis).

Additional information is available on the internet at <http://www.chugai-pharm.co.jp/english>.

About Kowa

Kowa Company, Ltd. (Kowa) is a privately held multinational company headquartered in Nagoya, Japan. Established in 1894, Kowa is actively engaged in various manufacturing and trading activities in the fields of pharmaceuticals, life science, information technology, textiles, machinery and various consumer products. Kowa's pharmaceutical division is focused on research and development for cardiovascular therapeutics (dyslipidemia, type 2 diabetes and atherosclerosis), ophthalmology and anti-inflammatory agents. Through Kowa Pharmaceutical Co. Ltd., Kowa promotes and sells various pharmaceutical products, such as "LIVALO[®]" (pitavastatin) for hypercholesterolemia, "SUINY[®]" (anagliptin) and "DEBERZA[®]" (tofogliflozin) for type 2 diabetes, "GLANATEC[®] ophthalmic solution" (ripasudil) for glaucoma & ocular hypertension. In terms of R&D activities, Kowa has submitted a new drug application for Selective PPAR α Modulator "K-877"(SPPARM α) in Japan. The company's flagship product, Livalo, is approved in 45 countries around the world. Additional information is available on the Internet at <http://www.kowa.co.jp/eng/>

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