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SHIONOGI & CO., LTD.

October 1, 2012

Shionogi & Co., Ltd.

Kotobuki Pharmaceutical Co., Ltd.

Shionogi and Kotobuki to Enter a License Agreement on KT6-971, a Cholesterol Absorption Inhibitor

Shionogi & Co., Ltd. (Head Office: Osaka; President & CEO: Isao Teshirogi, Ph.D.; hereafter “Shionogi”) and Kotobuki Pharmaceutical Co., Ltd. (Head Office: Nagano; President & CEO: Akira Tomiyama, Ph.D.; hereafter “Kotobuki”) today announced that they have entered into a license agreement on the worldwide rights of development, manufacturing and commercialization of a cholesterol absorption inhibitor, KT6-971 which has been developed by Kotobuki in Japan.

Under the terms of the agreement, Shionogi will pay an upfront payment, milestone payments at successful completion of key development phases, and royalties based on net sales to Kotobuki.

KT6-971 is a cholesterol absorption inhibitor which was originally discovered by Kotobuki. The compound lowers the blood cholesterol level by selectively inhibiting a cholesterol transporter, Niemann-Pick C1-like 1 (NPC1L1) which is related to absorption of biliary and dietary cholesterol in the small intestine. In Japan, a Phase IIa trial for dyslipidemia treatment has been conducted by Kotobuki. Shionogi is planning to evaluate the efficacy and safety of KT6-971 by further clinical trials under the license agreement with Kotobuki.

Shionogi is committing to the treatment of metabolic syndrome as one of its targeted therapeutic areas and is promoting Crestor[®], a hypercholesterolemia treatment agent, in Japan. KT6-971 lowers blood cholesterol level by a different mechanism of action from statins, including Crestor[®]. Shionogi and Kotobuki expect KT6-971 will provide a novel treatment option and a better therapeutic efficacy to more patients with dyslipidemia, who have poorly-controlled blood cholesterol level or insufficient efficacy by the treatment of statins. Through the collaboration with Kotobuki on the development and commercialization of KT6-971, Shionogi will make an effort to contribute to the therapy for metabolic syndrome and other related diseases.

Forward-looking Statements

This announcement contains forward-looking statements. These statements are based on expectations in light of the information currently available, assumptions that are subject to risks and uncertainties which could cause actual results to differ materially from these statements. Risks and uncertainties include general domestic and international economic conditions such as general industry and market conditions, and changes of interest rate and currency exchange rate. These risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limited to, completion and discontinuation of clinical trials; obtaining regulatory approvals; claims and concerns about product safety and efficacy; technological advances; adverse outcome of important



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litigation; domestic and foreign healthcare reforms and changes of laws and regulations. Also for existing products, there are manufacturing and marketing risks, which include, but are not limited to, inability to build production capacity to meet demand, unavailability of raw materials and entry of competitive products. The company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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