A novel topical treatment for acne vulgaris Differin® Gel 0.1% Launches

Octorber 14, 2008 – Galderma KK (Head Office: Tokyo; President: Humberto C. Antunes) and Shionogi & Co., Ltd. (Head Office: Osaka; President: Isao Teshirogi) today announced that it is scheduled to launch Differin[®] Gel 0.1% containing active ingredient, Adapalen; a novel topical treatment for acne vulgaris on October 21, 2008.

This product is currently approved / marketed in more than 80 countries, where it has become an important therapy for more than 22 million patients since initial launch in France in 1995. Differin[®] Gel 0.1% is a first-in-class topical product with retinoid-like activity which will be launched for the treatment of acne vulgaris in Japan.

In Japan, Galderma and Shionogi will co-promote the product with their respective sales forces while Shionogi retains exclusive sales and distribution rights for the product for a period of 8 years from the date of approval.

Differin[®] Gel 0.1% is indicated for the topical treatment of acne vulgaris, which is a naphthoic acid derivative that possesses retinoid-like activities discovered and developed by Galderma. It is mechanistically suggested that Adapalene binds to specific retinoic acid nuclear receptors (RAR) and normalizes the differentiation of epidermal keratinocytes resulting in

1

reducing microcomedo formation linked to comedones, non-inflammatory lesions (comedones appear as blackheads or whiteheads) and subsequently emerging inflammatory lesions (red lesions).

Acne is a chronic, inflammatory disease of the pilo-sebaceous unit, most commonly characterized by the formation of non-inflammatory and inflammatory lesions, particularly on the face. The disease leaves numerous physical consequences (scarring) and psychological consequences.

As a result of the 12-week phase III clinical study of Differin[®] Gel 0.1% in Japan, enrolled more than 200 patients in, the Differin[®] Gel treated groups showed the significant decrease both in the number of non-inflammatory and inflammatory lesions compared to the vehicle treated group. In addition, its safety and efficacy were also confirmed in the long-term safety studies (for a maximum of 12 months) enrolled more than 400 patients in.

In Japan, currently available topical treatments for acne are mainly antibiotics targeting inflammatory lesions. Differin® Gel 0.1% is, however, expected to provide a novel treatment for acne.

The coverage for this prescription drug will provide a new alternative for the treatment of acne in Japan and the treatment is expected to make a great progress to catch up with the U.S. and Europe.

With the introduction of Differin[®] Gel 0.1% in Japan, Galderma KK and Shionogi aim to increase the awareness of Doctors on acne and its treatment, and to provide comprehensive scientific information to healthcare providers

with the goal of improving treatment outcomes as well as the quality of life of Japanese acne sufferers.

Differin[®] Gel 0.1% is a first-in-class drug with novel active ingredients in Japan. Therefore, we are considering the promotion of its proper use and safety, with compliance and satisfaction of patients to be our absolute priority. We would like to continue to provide its comprehensive scientific information to dermatologists over a period of time after the product is launched.

Product Overview

Product Name: Differin® Gel 0.1%

Generic Name: Adapalene Indication: Acne vulgaris

Dosage and

Administration: An appropriate amount of gel is applied on the affected areas

once daily after facial cleansing

Form and Content: White gel containing 0.1% adapalene

Approval Date: July 16, 2008

NHI Drug Price

Listing: September 12, 2008 Price: 117.7 yen per gram

Packaging: $15g \text{ tube} \times 10$

About Galderma

Galderma, created in 1981 as a joint venture between Nestle and L'Oreal, is a fully integrated specialty pharmaceutical company dedicated exclusively to the field of dermatology. The Company is present in 65 countries with over 1000 medical sales representatives and is committed to improving the health of skin with an extensive line of products to treat a range of dermatological conditions including: acne, rosacea, fungal nail infections, psoriasis &

steroid-responsive dermatoses, pigmentary disorders, skin cancers and

medical solutions for skin senescence. With a main research and

development center in Sophia Antipolis, France, Galderma has one of the

largest R&D facilities devoted exclusively to dermatology.

The company employs 2700 people had global revenues of 735 million EUR

(approximately 121 billion yen) in 2007 (increased 12.7 percent compared

with the previous year) and commits 14.1 percent of its annual revenues to

R&D for its sustained growth.

Galderma KK, the fully-owned Japanese arm of Galderma, was established

in 1996. The company has been marketing PEKIRON[®], a topical anti-fungal

product under a licensing agreement with Kyorin Pharmaceutical since 2002.

For more information, please see the website http://www.galderma.jp.

For further information:

Galderma K.K. (Tokyo) Marketing division

TEL +81 3 52 29 69 16, FAX +81 3 52 29 69 03

Tel: +81-3-5229-6955 Fax: +81-3-5229-6903

Shionogi & Co., Ltd. Corporate Communications Department

Osaka Tel: +81-6-6209-7885 Fax: +81-6-6229-9596

Tokyo Tel: +81-3-3406-8164 Fax: +81-3-3406-8099

4