

**Open innovation laboratory for drug discovery and development by  
Kyoto University and Shionogi (SK Project) – Drug discovery and medical  
research for the regeneration of synapses and neuronal function -**

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**Osaka, Japan, March 13, 2012** – National University Corporation Kyoto University (Administrative office: Kyoto; President: Hiroshi Matsumoto, Ph.D.; hereafter “Kyoto University”) and Shionogi & Co., Ltd. (Head Office: Osaka; President & CEO: Isao Teshirogi, Ph.D.; hereafter “Shionogi”) today announced that they have entered into a research and development agreement, focused on drug discovery and medical research for the regeneration of synapses and neuronal function.

Under the agreement, Kyoto University and Shionogi will conduct collaborative research activities for a period of five years to create innovative medicines for the treatment of Alzheimer’s disease and other disorders of the central nervous system (CNS), seeking to meet critical unmet medical needs through basic research regarding the underlying pathology, thereby finding new drug targets for regeneration of synapses and neurological function.

In December, 2010, Kyoto University established the Japan’s first open innovation laboratory, the Medical Innovation Center within the Graduate School of Medicine, with the mission to support efficient and productive industry-government-academia collaborative projects. For its part, Shionogi is dedicated to the discovery and development of innovative medicines for the treatment of diseases with high unmet medical need, utilizing strategic alliances with academic institutions globally, venture capital firms, and other innovation-focused members of the healthcare industry, in order to realize Shionogi’s mission to “strive constantly to supply the best possible medicine to protect the health and wellbeing of the patients we serve.”

The SK Project is expected to integrating human resources, funds, medical knowledge and the management of intellectual property from the university and the company to speed the discovery of new drugs in the specified area. In addition, through their participation in this project, doctors and medical researchers will gain enhanced practical knowledge and understanding of the drug discovery process.

Kyoto University and Shionogi will work closely together in conducting basic and clinical medicine research via the SK Project to more deeply understand the underlying pathology of Alzheimer's and other CNS diseases as well as to create innovative medicines for those diseases. This project is part of both entities’ dedication to strengthening the foundation of Japanese life science innovation and promoting human resource development through industrial-academic collaborative projects.

**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 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.*

**For further information, contact:**

Corporate Communications Department  
Shionogi & Co., Ltd.

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

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