

## **Transfer of Marketing and Manufacturing Rights for Twenty-one of Shionogi's Long-listed Drugs to Lupin's Subsidiary Kyowa Pharmaceutical in Japan**

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**Osaka, Japan, and Mumbai, India, August 2, 2016** - Shionogi & Co., Ltd. (Head Office: Osaka, Japan; President & CEO: Isao Teshirogi, Ph.D.; hereafter “Shionogi”) and Lupin's Japanese subsidiary Kyowa Pharmaceutical Industry Co., Ltd. (Head Office: Osaka, Japan; President & Representative Director: Ray Tsunoda; hereafter “Kyowa”) announced that, on August 1, 2016, the two companies have entered into an agreement for the transfer of marketing rights of 21 of Shionogi's long-listed drugs to Kyowa, effective December 1, 2016, and eventually the marketing authorization of the same will be transferred to Kyowa.

In the Japanese domestic prescription pharmaceutical market valued at about USD 100 billion, the profit structures of pharmaceutical companies are changing significantly, as a result of increasingly strong government policies focused on controlling medical costs and drug prices, including measures to encourage the use of generics, which are designed to curb the rise in social welfare costs related to the rapidly aging society. For drug discovery-based pharmaceutical companies, specific measures to support the creation of innovative drugs have been proposed, and it is the core mission of such companies to continue to create high-quality new drugs and to make them available to patients. On the other hand, the business environment for generic companies has also been maturing and becoming more competitive with a need to maintain a high level of brand equity with physicians and patients, ensure cost competitiveness as also tackle pricing pressure on their products.

In this operating environment, Shionogi launched its Medium-Term Business Plan, Shionogi Growth Strategy 2020 (SGS2020), in April 2014, with the vision of growing globally as a drug discovery-based pharmaceutical company. The Company is focusing its resources on its core therapeutic and marketing areas, while continuing to create innovative medicines to support future growth and to strengthen its business operations.

As a part of this growth strategy, Shionogi would transfer 21 products (19 brands) to Kyowa, the Japanese subsidiary of Lupin Limited, a global leader in generic pharmaceuticals. Kyowa is amongst the top 10 Generic companies in Japan and a market leader in Central Nervous System (CNS) space well known for its “AMEL” brand, in addition to other generic pharmaceutical products in its portfolio. Both Companies will endeavour to increase the mid to long term corporate value by transferring Shionogi's long-listed drugs to Kyowa.

The 21 products cover therapy areas such as Central Nervous System (CNS), Oncology, Cardiovascular and Anti-Infectives. These 21 products had sales of JPY 9,400 million (USD 90 million) collectively on NHI price basis.

Dr. Isao Teshirogi, President & CEO of Shionogi said: “In the Japanese domestic prescription pharmaceutical market, the core mission of drug discovery-based pharmaceutical companies, such as Shionogi, is to create high-quality new drugs and to make them available to patients. Therefore, I’m very pleased that this agreement with Kyowa could make both aspects of our mission a reality, allowing us to pursue innovative drug discovery with an even more intense focus, while ensuring that our high quality long-listed drugs continue to be delivered to patients to meet their unmet needs.”

Commenting on the acquisition, Mr. Nilesh Gupta, Managing Director of Lupin Limited said, "This acquisition marks Lupin’s foray into the Japanese Branded market in-line with our aspirations to build and strengthen our specialty business globally. The new Branded product portfolio has a strong fit with Lupin’s Kyowa business, as it adds depth and reach to its our current CNS portfolio and other therapy areas.”

Dr Fabrice Egros, President, Asia Pacific & Japan, Lupin group commented, "Japan is a very important market for us. The acquisition strongly supports our future growth plans and the brands have robust synergies with Kyowa’s existing portfolio which will enable Lupin to build a wide customer base across the key therapies.”

### 1. List of products for the marketing rights transfer

		Product name
1	Sleep-inducing drug	Rhythmy Tablets 1mg, 2mg
2	Sleep-inducing drug, Anticonvulsant	Benzalin Tablets 2, 5, 10, Benzalin Fine Granule 1%
3	Antidepressant	Surmontil Tablets 10mg, 25mg, Surmontil Powder 10%
4	Psychoneurotic agent	Wintermin Powder 10%
5	Anxiolytic drug	Resmit Tablets 2, 5
6	Psychoneurotic agent	Hirnamin IM 25mg, Hirnamin Tablets 5mg, 25mg, 50mg, Hirnamin Powder 50%, Hirnamin Fine Granule 10%

7	Migraine-abortive agent, Tension headache agent	Migristene Tablets 20
8	Psychoneurotic agent	Novamin IM 5mg, Novamin Tablets 5mg
9	Parasympathetic stimulant	Vagostigmin Injection 0.5mg, 2mg, Vagostigmine Powder 0.5%
10	Cephem antibiotic	Kefral Powder for Oral Suspension 100mg, Kefral Capsule 250mg
11		L-Kefral Granule
12		Keflex Granule for Syrup 100, 200, Keflex Capsule 250mg
13		L-Keflex Granule, L-Keflex Granule for Children
14	Gastritis and gastric ulcer treatment	Ulgut Capsule 200mg
15	Digestive enzymes	Berizym Combination Granules
16	Gastritis and gastric ulcer treatment	Kolantyl Combination Granules
17	Acute circulatory failure improving agent	Dobutrex Injection 100mg, Dobutrex Infusion Kit 200mg, 600mg
18	Angiotensin-converting enzyme inhibitor	Longes Tablets 5mg, 10mg, 20mg
19	Oral hypoglycemic agent	Dimelin Tablets 250mg, 500mg
20	Recombinant interleukin-2	Imunace Injection 35
21	Recombinant interferon- $\gamma$	Imunomax- $\gamma$ Injection 50, 100

## 2. Effective date of marketing transfer

December 1, 2016

Under the terms of this agreement, Kyowa will book the sales of the 21 products from December 1, 2016, and Shionogi will receive 15.4 billion yen from Kyowa on December 1, 2016. The marketing authorization will be transferred from Shionogi to Kyowa in a sequential order from fiscal year 2017, ending March 31, 2018.

### About Shionogi & Co., Ltd.

Shionogi & Co., Ltd. is a major research-driven pharmaceutical company dedicated to placing the highest value on the needs of patients, based on its corporate philosophy of “supplying the best possible medicine to protect the health and wellbeing of the patients we serve.” Shionogi’s research and development currently targets two therapeutic areas: infectious diseases and pain/CNS disorders. In addition to its in-house research activity, Shionogi also accesses external innovation



through collaborations with partners in both the academic and private sectors. Contributing to the health and QOL of patients around the world is Shionogi's primary goal. For more details, please visit [www.shionogi.co.jp/en](http://www.shionogi.co.jp/en).

#### About Kyowa Pharmaceutical Industry Co., Ltd.

Founded in 1954, Kyowa Pharmaceutical Industry Co., Ltd. is a pharmaceutical company developing and manufacturing Branded & Generic pharmaceutical products for patients in the Japanese Market. With sales of JPY 25 billion for the fiscal year ended March 2016, Kyowa is amongst the fastest growing pharmaceutical companies in Japan, a market leader in the Central Nervous System – Neurology space and has strong presence in Cardiovascular, Gastroenterology and Injectables therapy segments. The company covers 94% of the 1,400 psychiatric hospitals in Japan. Kyowa enjoys strong brand equity in the psychiatric and neurological therapy segments, well known for its high quality pharmaceutical product portfolio under the “Kyowa AMEL” brand franchise. Kyowa is a Japanese subsidiary of Lupin Limited. For more information on Kyowa Pharmaceutical Industry Co., Ltd. please visit <http://www.kyowayakuhin.co.jp/en/>

#### **About Lupin Limited**

Headquartered in Mumbai, Lupin is an innovation led transnational pharmaceutical company producing and developing a wide range of branded & generic formulations, biotechnology products and APIs globally. The Company is a significant player in the Cardiovascular, Diabetology, Asthma, Pediatric, CNS, GI, Anti-Infective and NSAID space and holds global leadership positions in the Anti-TB and Cephalosporin segment.

Lupin is the 5th largest and fastest growing top 10 generics player in the US (5.51% market share by prescriptions, IMS Health) and the 3rd largest Indian pharmaceutical company by sales globally. The Company is also the fastest growing top 10 generic pharmaceutical players in Japan (ranked 9th) and South Africa (ranked 4th – IMS Health).

For the financial year ended 31st March 2016, Lupin's Consolidated turnover and Profit after Tax were Rs. 137,016 million (USD 2.09 billion) and Rs. 22,707 million (USD 347 million) respectively. Please visit <http://www.lupin.com> for more information. You could also follow us on Twitter – [www.twitter.com/lupinlimited](http://www.twitter.com/lupinlimited)

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**Shionogi 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.*

**Lupin Forward-Looking Statements:**

[Safe Harbor Statement](#)

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