

January 26, 2006  
Toyama Chemical Co., Ltd.  
Astellas Pharma Inc.

## **Letter of Intent Signed on Domestic Marketing and Joint Development of Quinolone Antibiotic T-3811**

Japan, January 26, 2006 - Toyama Chemical Co., Ltd. ("Toyama"; headquarters: Tokyo; president: Katsuhiko Nakano) and Astellas Pharma Inc. ("Astellas"; headquarters: Tokyo; President and CEO: Toichi Takenaka) today announced that they have signed a letter of intent for the marketing and joint development in Japan of oral formulations of the new-type quinolone antibiotic T-3811 (generic name: garenoxacin) discovered by Toyama. The two companies will sign a definitive license agreement by March 31, 2006.

### Key agreements

- 1) Toyama manufactures products. Taisho Toyama Pharmaceutical Co., Ltd. ("Taisho Toyama"; headquarters: Tokyo; President: Akira Uehara) and Astellas will co-promote the products under the same brand name.
- 2) Toyama will receive an upfront payment upon the definitive agreement being concluded and filing, approval and sales milestone payments from Astellas.
- 3) Astellas will join development programs to obtain additional indications for oral formulations of T-3811 in Japan.

### Profile of T-3811

- Different from conventional quinolone antibiotics, T-3811 (garenoxacin) is a new type of quinolone with no fluorine atom at position 6 of the quinolone skeleton.
- It has a wide antibacterial spectrum and is also effective against PRSP (penicillin-resistant *Streptococcus pneumoniae*) and MRSA (methicillin-resistant *Staphylococcus aureus*), which have been reported to present major medical problems in recent years due to their resistance to conventional drugs.
- It shows good oral absorption and tissues distribution, which make administered orally once a day.

### Development status of T-3811

- In Japan, Toyama and Taisho Pharmaceutical Co., Ltd. ("Taisho"; headquarters: Tokyo; President: Akira Uehara) has co-developed T-3811 for the treatment for respiratory infections and otolaryngologic infections. An application is being prepared for these indications in Japan.
- Toyama has granted to Schering-Plough Corporation exclusive rights to develop, use and sell T-3811 worldwide, excluding Japan, Korea and China. All clinical trials conducted to date to obtain a wide range of indications from respiratory infections to surgical infections proved non-inferiority of T-3811 compared to control drugs.

Toyama and Taisho have agreed that Taisho Toyama markets T-3811 in Japan. Signing the letter of intent between Toyama and Astellas, Toyama, Astellas, Taisho and Taisho Toyama will cooperate to maximize product value of T-3811 in Japan.

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