

December 5, 2002

Dainippon and Kyorin have formed an alliance for Aldose Reductase Inhibitor

--- Dainippon Pharmaceutical Co., Ltd. (President: Kenjiro Miyatake) and Kyorin Pharmaceutical Co., Ltd. (President: Ikuo Ogihara) jointly announced today that they signed a preliminary agreement related to AS-3201, an original aldose reductase inhibitor from Dainippon to treat diabetic complications.

Under the terms of the agreement, Dainippon and Kyorin aim to jointly develop AS-3201, with the intent to co-market the agent within Japan.

“AS-3201” prevents sorbitol accumulation in cells by inhibiting aldose reductase, and is thus expected to be effective in the remedy of diabetic neuropathy, a diabetic complication.

Dainippon intends to position AS-3201 together with AJ-9677, another Dainippon compound for the treatment of diabetes, as an integral part of its global business strategy. AS-3201 is already under development by Dainippon and is at the Phase IIa stage in the U.S.A. and Canada.

Based on its franchise management strategy, Kyorin is continuing to focus its R&D activities in three target areas—with metabolic diseases being included as one of those target areas. Kyorin expects that through this preliminary agreement they will further enhance their R&D pipelines.

Dainippon and Kyorin will start the joint development immediately after concluding the co-development agreement, which will be completed based on the results from the ongoing Phase IIa study.