Company News

February 14, 2001

Basic Agreement on Co-development and Co-marketing of KRP-197 for Pollakiuria and Urinary Incontinence

Kyorin Pharmaceutical Co., Ltd. (Headquarters: Tokyo; President: Ikuo Ogihara) and Ono Pharmaceutical Co., Ltd. (Headquarters: Osaka; President: Toshio Ueno) have reached a basic agreement on the co-development and comarketing of KRP-197, a therapeutic drug for the treatment of pollakiuria and urinary incontinence, which was discovered and is currently under development by Kyorin.

This agreement has been made in accordance with Kyorin's aim to speed up the development of KRP-197 in Japan and maximize the sales of the product, and Ono's aim to further expand its development pipeline.

Kyorin is carrying out Phase II clinical trials in Japan (Phase I overseas), and Ono will join the domestic development. Under the agreement, Kyorin will receive an up-front fee and milestone payments from Ono.

KRP-197 is a muscarinic M3 receptor antagonist, which unlike other conventional therapeutic drugs, selectively acts on the bladder smooth muscle.

Functional or organic disorders of a physiological cycle of urine production and micturition may cause pollakiuria and/or urinary incontinence, impairing the daily life. Selectively inhibiting bladder smooth muscle contraction caused by a functional disorder, the drug is expected to improve symptoms such as pollakiuria and urinary incontinence, and to help improve patients' quality of life as well.

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About Kyorin Pharmaceutical Co., Ltd.

Address: 5, Kanda Surugadai 2-chome, Chiyoda-ku,

Tokyo

President & Representative Director:

Ikuo Ogihara

Capital: 3,623 million yen

Annual Net Sales: 51,518 million yen (Year ended March 2000)

1,677 (as of March 31, 2000) Employees:

About Ono Pharmaceutical Co., Ltd.

1-5, Doshomachi 2-chome, Chuo-ku, Osaka Address:

President & Representative Director:

Toshio Ueno

Capital: 17,357 million yen

Annual Net Sales: 126 billion yen (Year ended March 2000)

2,228 (as of March 31, 2000) Employees: