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Joint Media Release

Novartis Pharma K.K.
Ono Pharmaceutical Co., Ltd.

Agreement on Joint Development and Marketing of Rivastigmine Transdermal Patch for the Treatment of Alzheimer's Disease

Novartis Pharma K.K. (Minato-ku, Tokyo; Nobuyuki Baba, President) and Ono Pharmaceutical Co., Ltd. (Chuo-ku, Osaka; Takashi Iwai, President) have agreed on the joint clinical development and marketing of rivastigmine transdermal patch (development code: ENA713D) for the treatment of Alzheimer's disease in Japan. Under the agreement, Novartis Pharma AG (Basel, Switzerland; Thomas Ebeling, CEO) has granted the rights to Ono to co-develop and co-market this product in Japan.

The rivastigmine patch is the first transdermal system for the treatment of Alzheimer's disease and is currently in Phase II clinical development in Japan. This agreement will enable Novartis and Ono to accelerate work on the joint clinical development of the new drug in order to bring it to the Japanese market as soon as possible. With the rivastigmine patch, Ono aims to expand and strengthen its development pipeline in the central nervous system franchise.

About Rivastigmine

The neurotransmitter acetylcholine is crucial for memory, thinking and behavior and it is thought that Alzheimer's disease is associated with a reduced production of acetylcholine in the brain. Rivastigmine belongs to a class of drugs known as cholinesterase inhibitors, which increase neurotransmitter activity in the brain. It is the only treatment which inhibits both enzymes involved in the breakdown of acetylcholine – acetylcholinesterase and butyrylcholinesterase. While the importance of acetylcholinesterase in the disease has been well accepted, the role of butyrylcholinesterase appears to increase as the disease progresses[1]. The inhibition of both acetylcholinesterase and butyrylcholinesterase may increase the availability of acetylcholine in the brain and therefore help slow the progression of Alzheimer's disease symptoms.

The rivastigmine patch is the first transdermal system developed for the treatment of Alzheimer's disease and is expected to provide more convenience, e.g. caregivers can easily confirm the administration of the drug, and also to offer a new choice for the treatment of Alzheimer's disease patients.

The Exelon® capsule, an oral formulation of rivastigmine, was first approved in 1997 in Switzerland to treat Alzheimer's disease and is widely used in more than 70 countries outside Japan.

About Alzheimer's disease

Alzheimer's disease is a progressive, degenerative disease that alters the brain, causing impaired memory, thinking and behavior. Affecting approximately 10 million people worldwide (1 million people in Japan) and two to six percent of those over 65 years of age, it is the most common form of dementia and the third leading cause of death in this age group behind cardiovascular disease and cancer.

About Novartis Pharma K.K.

Novartis Pharma K.K. is a Japanese corporation of Novartis AG (NYSE: NVS) that is a world leader in pharmaceuticals and consumer health. In 2004, the businesses of the Novartis Group achieved sales of USD 28.2 billion and pro forma net income of USD 5.6 billion. The Group invested approximately USD 4.1 billion in R&D. Headquartered in Basel, Switzerland, Novartis group companies employ about 91,700 people and operate in over 140 countries around the world. For further information please consult http://www.novartis.co.jp/

About Ono Pharmaceutical Co., Ltd.

Ono Pharmaceutical Co., Ltd. is an R&D-oriented pharmaceutical company specialized in creating innovative medicines in specific areas. Its net sales was 145.3 billion yen with net income of 39.3 billion yen in 2004 (fiscal year ended March, 2005). R&D expenditures were 30.6 billion yen. The total number of employees is 2,604 (as of March 31, 2005). For further information please visit http://www.ono.co.jp

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[1] Perry EK, Perry RH, Blessed G et al. Changes in brain cholinesterases in senile dementia of Alzheimer type. Neuropath Applied Neurobiol 1978; 4: 273-277.