

## **OTSUKA PHARMACEUTICAL CO., LTD. AND H. LUNDBECK A/S Sign Historic Agreement to Deliver Innovative Medicines with Focus on Psychiatric Disorders Worldwide**

– Starting with a USD 1.8 billion agreement to co-develop and co-commercialize aripiprazole depot formulation and OPC-34712, two companies with a rich CNS heritage form one of the largest global alliances to focus on delivering up to five innovative psychiatric and neuroscience products–

(Tokyo, Japan, and Copenhagen, Denmark, 11 November 2011) – Otsuka Pharmaceutical Co., Ltd. (Otsuka) and H. Lundbeck A/S (Lundbeck) today announced that they have entered into a long-term agreement for the development and commercialization of up to five innovative psychiatric and neuroscience products worldwide. Otsuka and Lundbeck signed the historic agreement during a ceremony held at Tokushima City in Tokushima, Japan on November 11, 2011.

### **SUMMARY OF COLLABORATION AGREEMENT**

The agreement covers up to five early and late stage compounds in development. The two late stage compounds are from Otsuka: aripiprazole depot formulation and OPC-34712. Otsuka receives the rights to enter into co-development, and eventual co-promotion following approval, of up to three compounds after Phase IIb clinical trials.

The alliance is a sales and cost share agreement. Under the terms of the agreement, Lundbeck will make an upfront payment upon signing of USD 200 million. Otsuka will in total receive up to approximately USD 1.4 billion from Lundbeck as upfront payment and development and regulatory milestone payments. With the addition of sales milestones in connection, Lundbeck will pay up to approximately USD 1.8 billion to Otsuka. Both companies will share the sales and development and commercialization costs based on the agreement.

For aripiprazole depot formulation, Lundbeck will receive 50% of net sales in Europe (EU5 and the 4 Nordic countries) and Canada and 20% of net sales in the U.S. from Otsuka. The cost incurred for the development and promotion will be shared in the same ratio. Otsuka holds the rights in many of the Asian countries including Japan, as well as Turkey and Egypt. For the remaining markets in the Lundbeck territories, Lundbeck will market the compound and Otsuka will supply the bulk product at a price of agreed percentage of the sales.

For OPC-34712, Lundbeck will receive 50% of net sales in Europe (EU5 and the 4 Nordic countries) and Canada and 45% of net sales in the U.S. from Otsuka. The cost incurred for the promotion will be shared in the same ratio. Otsuka holds the rights in many of the Asian countries including Japan, as well as Turkey and Egypt. For the remaining markets in the Lundbeck territories, Lundbeck will market the compound, and Otsuka will supply the bulk product at a price of agreed percentage of the sales. For the development costs of OPC-34712, Otsuka will be responsible up to certain amount and equally share the costs afterwards.

In co-commercialization countries, the parties will share sales efforts and costs in accordance with the territory split. In the U.S., Canada, EU5 and the 4 Nordic countries, Otsuka will book all sales. In the rest of Europe and the world, excluding many of the Asian countries, as well as Turkey and Egypt, Lundbeck will book all sales and take full responsibility for commercialization. Otsuka will retain the rights to participate in the co-development and co-marketing when it establishes a sales organization in Lundbeck's territory.

Otsuka brings a strong presence in the North American and Asian CNS markets, and Lundbeck complements Otsuka's position with a strong presence in Europe. Combined, both companies reach most of the global CNS market.