

Sumitomo Dainippon Pharma Co., Ltd.

Sumitomo Dainippon Pharma Signs a Co-Promotion and Sales Collaboration Agreement for Diabetes Treatments Equa and EquMet in Japan

Sumitomo Dainippon Pharma Co., Ltd. (Head Office: Osaka, Japan; Representative Director, President and CEO: Hiroshi Nomura; hereinafter “Sumitomo Dainippon Pharma”) today signed a co-promotion and sales collaboration agreement with Novartis Pharma K.K. (Head Office: Tokyo, Japan; Representative Director, President and CEO: Kazunari Tunaba; hereinafter “NPKK”) for Equa[®] 50mg tablets (generic name: vildagliptin; hereinafter “Equa”), a selective DPP-4 inhibitor, and EquMet[®] combination LD/HD tablets (generic name: vildagliptin/metformin hydrochloride combination tablets; hereinafter “EquMet”), a selective DPP-4 inhibitor/biguanide combination agent, both of which are currently indicated for the treatment of type 2 diabetes in Japan.

With the execution of this agreement, starting from July 1, 2019, Sumitomo Dainippon Pharma will jointly carry out activities to promote Equa and EquMet to healthcare professionals in Japan, in concert with NPKK. Additionally, from November 1, 2019, while the two companies will continue co-promotion, Sumitomo Dainippon Pharma will become the sole distributor of Equa and EquMet, receiving supplies of both products from NPKK.

Equa is a selective DPP-4 inhibitor that increases the concentration of active GLP-1, which enhances insulin secretion and suppresses glucagon secretion in a glucose-dependent manner. EquMet was launched as the first selective DPP-4 inhibitor/biguanide combination tablets launched in the Japanese market. The combined sales of the two drugs were approximately ¥50.0 billion in fiscal 2018 (NHI price base).

Sumitomo Dainippon Pharma positions diabetes as one of its focus areas in the Japanese market, and currently commercializes several drugs for the treatment of type 2 diabetes, each with different mechanisms of action. Through the execution of this agreement, Equa and EquMet can now be added to its lineup, helping Sumitomo Dainippon Pharma strive contributing to the treatment of a greater number of diabetes patients in Japan.

Sumitomo Dainippon Pharma will make upfront payment under the terms of the agreement. It will record payments received from NPKK for the promotion of these products as revenue from July 1, 2019, and the sales of these products as revenue from November 1, 2019.

Sumitomo Dainippon Pharma is currently evaluating the potential impact of this agreement on business results for the fiscal year ending March 2020 and will promptly announce any material information requiring disclosure. Financial goals for fiscal 2022, which were announced in conjunction with the Mid-

term Business Plan in April 2019, include consideration of a certain amount of contribution from marketing alliances. In addition, Sumitomo Dainippon Pharma expects that the agreement announced today will contribute to the attainment of the annual revenue goal of ¥200 billion during the period of the next Mid-term Business Plan (fiscal 2023—2027).

<Reference information>

【About Equa】

Equa is a DPP-4 inhibitor used in the treatment of type 2 diabetes (including any oral hypoglycemic or insulin preparation) that, by increasing the concentration of active GLP-1, stimulates the secretion of insulin and inhibits glucagon secretion to enable effective long-term control of blood sugar levels. The product was launched by NPKK in Japan on April 16, 2010 as Equa[®] 50mg tablets. On a drug price basis, sales in 2018 were ¥24.9 billion.

【About EquMet】

EquMet was the first DPP-4 inhibitor and biguanide combination agent launched in Japan that demonstrated effective lowering of blood sugar levels, combining a DPP-4 inhibitor to stimulate insulin secretion with biguanide to improve insulin resistance through separate mechanisms. The product was launched by NPKK in Japan in November 2015 as EquMet[®] compound tablets LD/HD. On a drug price basis, sales in 2018 were ¥25.1 billion.

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