



**FOR IMMEDIATE RELEASE**

March 28, 2018

Eisai Co., Ltd.  
Nichi-Iko Pharmaceutical Co., Ltd.

## **EISAI AND NICH-IKO PHARMACEUTICAL ENTER INTO STRATEGIC ALLIANCE AGREEMENT**

Eisai Co., Ltd. (Headquarters: Tokyo, CEO: Haruo Naito, "Eisai") and Nichi-Iko Pharmaceutical (Headquarters: Toyama, President and CEO: Yuichi Tamura, "Nichi-Iko") announced today that they have entered into a strategic alliance agreement as well as a share transfer agreement (hereafter, "the agreement") for a capital and business alliance, aiming to expand and grow the generic pharmaceutical business and bring about increased profit for both companies by leveraging the assets and strengths of both companies to their full potential and maximizing synergies.

Under the agreement, Eisai will transfer all shares of Eisai's wholly-owned subsidiary Elmed Eisai Co., Ltd. (Headquarters: Tokyo, "Elmed Eisai") to Nichi-Iko incrementally in accordance with progress of the strategic alliance agreement, and both companies will promote cooperation in building Eisai's Total Inclusive Ecosystem as well as collaboration on the active pharmaceutical ingredient (API) business promoted primarily at Eisai's Vizag Plant in India.

### **1. Capital and Business Alliance to Revolutionize the Generic Pharmaceutical Business Model**

Elmed Eisai was established as a wholly-owned subsidiary of Eisai in 1996, and with the concept of developing value-added generic drugs that are accessibly priced and easy for patients to administer, has been contributing to the uptake and expansion of generic pharmaceuticals under a co-promotion structure with Eisai.

Nichi-Iko leads the generic pharmaceutical industry as one of Japan's largest generic manufacturers, and since its establishment in 1965, has been expanding its core business of manufacture and sales of cost-effective pharmaceuticals that respond to people's hopes for a healthy life. Currently, Nichi-Iko is aiming to become a top 10 global generic pharmaceutical manufacturer through initiatives such as thoroughly implementing the three core strategies of Power of Expansion, Power of Production, and Power of Development from its 7th Medium-term Business Plan "Obelisk" as well as "Profit Management Plan 2019" for sustained cost improvement.

With the business environment surrounding the generic pharmaceuticals business undergoing significant changes, as one of Japan's largest generic manufacturers, Nichi-Iko will take a capital stake in Elmed Eisai, and the two companies will integrate their strengths such as Nichi-Iko's rich product lineup and Power of Production together with Elmed Eisai's techniques for manufacturing value-added generic drugs to realize Market Expansion and lower costs by expanding scale, aiming to revolutionize the generic pharmaceutical business model and reinforce business foundation.

Taking this business integration as an opportunity, the two companies intend to create new generic pharmaceutical business models through high quality value-added generic drugs in order to contribute to more patients.

## 2. Establishment and Promotion of Total Inclusive Ecosystem

Eisai is building a platform which has as its core Eisai's ability to hear the true needs of patients and design solutions to them, and ability to propose outcomes based on medical data including clinical trial data and real world data as well as access strategies. Aiming to create patient value, Eisai is loading various kind of content onto this platform and expanding its Total Inclusive Ecosystem that delivers various solutions such as pharmaceuticals to all of its stakeholders including patients.

Through the agreement, Nichi-Iko, who has a wide range of generic pharmaceuticals, will be added as a content provision partner. This will enhance the Total Inclusive Ecosystem for dementia, liver disease and other diseases, as well as further expand contribution to patients in regional healthcare. With the promotion of these strategies, Nichi-Iko expects to further strengthen its Power of Development for new markets such as comprehensive community care.

## 3. Leveraging High Quality Price Competitive API

Eisai has been expanding its API supply business which focuses on high quality price competitive API by maximizing its use of the various functions of the Vizag Plant in India, including research and development, manufacturing, quality management and audit. The Vizag Plant has high quality manufacturing capacity that is already compliant not only with Japan's quality standards but also with the high quality standards of WHO, and has proven its ability to demonstrate competitiveness on price.

In Nichi-Iko's Profit Management Plan 2019 as well, it is thought that Eisai's superior API supply will greatly contribute to the achievement of this plan.

Under the agreement, Eisai will promote collaboration on superior API supply with Nichi-Iko on various points such as price, quality and stable supply. For Nichi-Iko's development of new products as well, Eisai's API development ability and manufacturing techniques will be utilized to further improve efficiency and reliably make submissions as well as obtain approval.

Through the above, the two companies will use generic drugs that can achieve unprecedented high quality and stable supply to fulfill their contribution to medicine.

After discussing the conditions and other details in the near future, from October 2018, Eisai will commence co-promotion of Nichi-Iko's products, and Nichi-Iko will commence co-promotion of Elmed Eisai's products.

Eisai is scheduled to transfer 20% of the outstanding shares issued in its wholly-owned subsidiary Elmed Eisai to Nichi-Iko on April 2, 2018, when the strategic alliance agreement is initiated. This will make Elmed Eisai an affiliated company accounted for by the equity method for Nichi-Iko. Upon condition that certain progress has been achieved by the two companies in the aforementioned strategic alliance agreement, Eisai is scheduled to transfer 13.4% of shares to Nichi-Iko on October 1, 2018 (planned) and all remaining shares on April 1, 2019 (planned). Once all these transactions are executed, Elmed Eisai will be a wholly-owned subsidiary of Nichi-Iko.

The impact of the agreement has no impact on the financial results for fiscal 2017 for either company.

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## <Notes to editors>

### **1. About Eisai Co., Ltd.**

Eisai Co., Ltd. is a leading global research and development-based pharmaceutical company headquartered in Japan. We define our corporate mission as “giving first thought to patients and their families and to increasing the benefits health care provides,” which we call our *human health care (hhc)* philosophy. With approximately 10,000 employees working across our global network of R&D facilities, manufacturing sites and marketing subsidiaries, we strive to realize our *hhc* philosophy by delivering innovative products in various therapeutic areas with high unmet medical needs, including Neurology and Oncology.

As a global pharmaceutical company, our mission extends to patients around the world through our investment and participation in partnership-based initiatives to improve access to medicines in developing and emerging countries.

For more information about Eisai Co., Ltd., please visit [www.eisai.com](http://www.eisai.com).

### **2. About Nichi-Iko Pharmaceuticals Co., Ltd.**

Since the establishment of Nichi-Iko Group in 1965, Nichi-Iko has steadily developed its business to contribute to people's health and quality of life by manufacturing high-quality, cost-effective pharmaceuticals. Our mission is to provide value-added, high quality generic products which meet the needs of patients, doctors, pharmacists, wholesalers and pharmaceutical companies in the global market as one of the most respected, well established generic companies in the world. In working to fulfil this mission, we seek to earn the trust and respect of all our stakeholders and to be the first choice for our customers.

More patient-friendly, more patient-choice, more high-quality. That is what we mean by Premium Quality. And Premium Quality underpins our commitment to becoming a global Top 10 leader in generic pharmaceuticals.

For more information about Nichi-Iko Pharmaceuticals Co., Ltd., please visit <http://www.nichiiko.co.jp/english/index.html>

### **3. About Elmed Eisai Co., Ltd.**

Elmed Eisai Co., Ltd., a wholly-owned subsidiary of Eisai Co., Ltd., was established in April 1996 with the aim of contributing to patients through the provision of value generics. At the time of establishment, the progression in declining birthrate and aging of society as well as the steep increase in medical expenditures was the background to the goal of creating medicine that was cost-effective and easy for elderly patients to use (the company's name comes from the words “elderly medicine”), and the company has been developing and supplying value-added pharmaceuticals ever since. Currently, Elmed Eisai is working on its generic business to improve the Quality of Life of all people.