

October 10, 2014

Otsuka Pharmaceutical Factory Enters into a License Agreement on Bioengineered Pancreatic Islet “DIABECCELL[®]” as a Treatment for Diabetes

Tokyo, Japan, October 10, 2014 - Otsuka Pharmaceutical Factory, Inc. (Head office: Naruto, Tokushima, Japan; President and Representative Director: Shinichi Ogasawara, “OPF”) is pleased to announce that OPF has entered into a license agreement with Diatranz Otsuka Limited (Head Office: Auckland, New Zealand; Chairperson: Robert Elliot, “DOL”) for exclusive rights to develop, manufacture and sell “DIABECCELL[®]”, a bioengineered pancreatic islet for the treatment of type 1 diabetes, in Japan and the United States.

Under this agreement, OPF will have an exclusive license to develop, manufacture and sell DIABECCELL[®] in Japan and the US and make an initial payment and additional milestone payments during development of DIABECCELL[®]. Furthermore, OPF will be responsible for all the expenses to develop and commercialize DIABECCELL[®] in Japan and the US.

It is OPF’s objective, through development and commercialization of DIABECCELL[®] in Japan and the US, to offer additional therapeutic options for patients with diabetes, and to strengthen its R&D in the field of regenerative medicine and further actively expand its business not only in Japan but also on the international stage

Based on Otsuka Group's corporate philosophy “Otsuka - people creating new products for better health worldwide,” OPF is constantly working to help improve the health of people in all parts of the world.

About DIABECCELL

DIABECCELL[®], originally developed by Living Cell Technologies Limited, is an encapsulated pig islet sourced from biocertified designated pathogen-free pigs. By transplantation into the abdominal cavity of the patient with diabetes, DIABECCELL[®] helps boost insulin secretion. It is expected to be one of novel therapeutic options for refractory type 1 diabetes.

Company Profile

Diatranz Otsuka Limited

Established	:	November 1, 2011
Capital	:	AUD 50,000,000 (50/50 joint venture formed by OPF and Living Cell Technologies Limited)
President	:	Robert Elliott, Chairperson
Head Office	:	19 Laureston Avenue, Hunters Corner, Manukau 2155, Auckland, New Zealand
Employees	:	56
Business Description	:	Research and development of DIABECCELL

Living Cell Technologies Limited

Established	:	1987
Capital	:	AUD 60,685,600 (Listed on the Australian Securities Exchange (ASX))
President	:	Ken Taylor, Chief Executive
Head Office	:	19 Laureston Avenue, Hunters Corner, Manukau 2155, Auckland, New Zealand
Employees	:	12
Business Description	:	Research and development of cell therapy with encapsulation technology

Otsuka Pharmaceutical Factory, Inc.

Established	:	September 1, 1921
Capital	:	80 million yen
President	:	Shinichi Ogasawara, President and Representative Director
Head Office	:	115 Kuguhara, Tateiwa, Muya-cho, Naruto, Tokushima, 772-8601 Japan
Employees	:	2,343 (as of March 31, 2014)
Business Description	:	Manufacture and sale of drugs (mainly clinical nutrition products), medical devices and functional foods
URL	:	http://www.otsukakj.jp/