



March 25, 2013

For Immediate Release

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| Company name | Otsuka Holdings Co., Ltd. |
| Representative | Tatsuo Higuchi President and Representative Director, CEO |
| Code number | 4578 First Section , Tokyo Stock Exchange |
| Inquiries | Takuma Kimura Director, Investors Relations Department |

**Otsuka Obtains Marketing Approval in Japan
for Onglyza® Tablets to Treat Type 2 Diabetes; Transferred Rights to Kyowa Hakko Kirin**

Otsuka Pharmaceutical Co. Ltd., a subsidiary of Otsuka Holdings Co., Ltd., and Kyowa Hakko Kirin Co., Ltd. today announced that Otsuka has obtained marketing approval for Onglyza® 2.5mg and 5mg Tablets (generic name: saxagliptin hydrate) to treat type 2 diabetes. Otsuka signed an agreement with Kyowa Hakko Kirin in June 26, 2012, transferring to Kyowa Hakko Kirin the exclusive development and marketing rights for Onglyza® in Japan.

The consolidated business forecast of fiscal 2012 announced by Otsuka Holdings on May 11, 2012 will not be changed.

Tokyo, Japan, March 29, 2013—Otsuka Pharmaceutical Co., Ltd. (Otsuka) and Kyowa Hakko Kirin Co., Ltd.(Kyowa Hakko Kirin) today announced that Otsuka has obtained marketing approval for Onglyza® Tablets 2.5mg and 5mg(generic name: saxagliptin hydrate) to treat type 2 diabetes. Otsuka signed an agreement with Kyowa Hakko Kirin in June 2012, transferring to Kyowa Hakko Kirin the exclusive development and marketing rights for Onglyza® in Japan.

Onglyza® was originated by Bristol-Myers Squibb. This oral hypoglycemic agent for diabetes acts by selectively inhibiting dipeptidyl peptidase-4 (DPP-4), an enzyme that breaks down glucagon-like peptide-1 (GLP-1*¹) and gastric inhibitory peptide (GIP). Once-daily dosing with Onglyza® produces a blood glucose-dependent reduction in blood sugar levels.

The efficacy and safety of Onglyza® were confirmed in accordance with the Guideline for Clinical Evaluation of Oral Hypoglycemic Agents (PFSB/ELD Notification No. 0709-1, July 9, 2010).

Onglyza® has been approved in 85 countries, including the US and EU (as of February 2013).

*¹ GLP-1 is secreted soon after eating, stimulating the pancreatic beta-cells and increasing insulin secretion. When DPP-4 is inhibited, blood levels of GLP-1 are maintained and rising blood sugar levels can be curbed.

Otsuka Pharmaceutical is to transfer marketing rights in Japan for Onglyza® to Kyowa Hakko Kirin, based on the 2012 agreement signed by the two companies. Otsuka will receive ¥8.2 billion from Kyowa Hakko Kirin upon approval, in addition to the initial payment of ¥3.0 billion. Moreover, Otsuka will receive running royalties after the launch of the drug in proportion to its revenue.

The approval of Onglyza® provides a new option in the treatment of type 2 diabetes and is therefore expected to help healthcare professionals and patients to manage type 2 diabetes.

Onglyza® product overview

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| Product name | Onglyza® Tablets 2.5 mg and 5 mg |
| Generic name | Saxagliptin hydrate |
| Indication | Type 2 diabetes |
| Dosage and Administration | Once-daily oral administration of 5 mg saxagliptin in adults. Once-daily oral administration of 2.5 mg is also possible, based on the condition of the individual patient. |
| Approval date | March 25, 2013 |