

April 8, 2013

Dainippon Sumitomo Pharma Co., Ltd.  
Chugai Pharmaceutical Co., Ltd.

Dainippon Sumitomo Pharma and Chugai Pharmaceutical  
Terminate Joint Development of Cancer Vaccine

Osaka and Tokyo, Japan, April 8, 2013 – Dainippon Sumitomo Pharma Co., Ltd. (DSP) (Headquarters: Osaka, Japan; President: Masayo Tada) and Chugai Pharmaceutical Co., Ltd. (Chugai) (Headquarters; Tokyo, Japan: Chairman and CEO; Osamu Nagayama) announced today that the companies have agreed to terminate the joint development agreement for "WT4869" and "WT2725". As a result, future development plans will change.

DSP and Chugai have jointly conducted the development of "WT4869" and "WT2725". However, in order to provide these treatment options to patients as early as possible, the companies concluded that it would be preferable to concentrate development and marketing activities to DSP, and agreed to terminate the joint development agreement. The ongoing Phase 1 clinical study of "WT4869" in Japan will continue to be jointly developed until completion of the studies. Subsequent clinical development for "WT4869", and the ongoing development for "WT2725" in the U.S. will be solely conducted by DSP. Chugai will receive royalties from DSP after launch in return for its contribution in development.

Hoping to contribute to the treatment of patients, DSP is committed to promoting the development of "WT4869" and "WT2725" aiming for the earliest launch as possible.

Although Chugai will no longer take part in development of "WT4869" and "WT2725", Chugai will continue to promote the development of other oncology agents as a leading company in the oncology field.

**(Reference) About "WT4869" and "WT2725"**

"WT4869" and "WT2725" are therapeutic cancer vaccine candidates using a peptide derived from the Wilms' tumor gene 1 (WT1) protein. WT1-specific cytotoxic T-lymphocytes (CTL) induced by treatment of the vaccines are expected to attack the WT1 expressing cancer cells, and to become treatments of various types of hematologic and solid cancers.

The WT1 protein is known to be highly expressed in most solid tumors, as investigated by the group of Dr. Haruo Sugiyama, Professor of Osaka University Graduate School of Medicine. It has been suggested that WT1 functions as a cancer antigen, and WT1 peptides have been tested for potential application in cancer immunotherapy. Based on basic and clinical research results from studies by Prof. Sugiyama and his group, DSP and Chugai have developed the novel peptides "WT4869" and "WT2725" in their collaborative development program.

"WT4869" is in Phase 1/2 for Myelodysplastic syndromes (MDS) and Phase 1 for Solid cancer in Japan. "WT2725" is in Phase 1 clinical development in the U.S. for advanced cancer.

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