

# PRESS RELEASE

January 28, 2009, Tokyo, Japan

## **PPI Effect & Eradication of *H. pylori*: License agreement boosts development of novel therapy against Peptic Ulcer Disease**

An exclusive license agreement, only for Japan, for the development and commercialisation of ARH-1029, a novel drug candidate for the treatment of Peptic Ulcer Disease, was signed by aRigen Pharmaceuticals, Inc. (hereinafter referred to as “aRigen”), Japan, and Taiho Pharmaceutical Co., Ltd. (hereinafter referred to as “Taiho”), Japan. As part of the agreement, aRigen will receive from Taiho an up-front payment, milestone payments and bonus payments depending on sales as well as high double digit royalties.

Below are the key features of this license agreement:

1. ARH-1029 is an innovative compound, the concept of which was pioneered by the Japanese biotech (aRigen);
2. ARH-1029 is a New Chemical Entity which was discovered in Japan for global use, and it completely matches aRigen’s corporate mission “Discovered in Japan for Global Health”, and we believe this will be a blockbuster candidate;
3. The agreement is one of the first and biggest alliance agreements between a Japanese Biotech Company and a large Japanese Pharmaceutical Company for an early stage (pre-IND) project.

### **About ARH-1029**

Conventional peptic ulcer treatment requires several weeks of administration (6 weeks for duodenal ulcer and 8 weeks for gastric ulcer) and 4 weeks for follow-up. This conventional treatment is “symptomatic treatment” which just relieves the symptoms by inhibition of gastric acid with the use of Proton Pump Inhibitor (PPI) or H2 Receptor Blocker. After diagnosis of *H. pylori* infection, which is one the main causes of occurrence of peptic ulcer, patients are additionally administered a PPI and two types of antibacterial agents for a week. At the end of the treatment the elimination of *H. pylori* infection is re-confirmed.

With the dual effects including both the inhibition of gastric acid and specific eradication of *H. pylori*, ARH-1029 is an innovative drug candidate which is expected to dramatically change the paradigm of the treatment of peptic ulcer from traditional symptomatic treatment to curative treatment. In addition, ARH-1029 is considered to bring additional therapeutic benefits such as a mono-therapy whereas the conventional treatment is a combination therapy with three drugs, and also improvement of patient compliance and pharmaco-economics by its shorter administration period and much lower dosage than the conventional therapy.

Since ARH-1029 will provide curative treatment and enable the eradication of *H. pylori* in two weeks, further follow-ups and new administrations will not be required, and its treatment period will be much shorter.

**About aRigen Pharmaceuticals, Inc. ([www.arigen.jp](http://www.arigen.jp))**

aRigen Pharmaceuticals, Inc. is a leading Japanese drug discovery and development company working on new molecular entities for infectious diseases. With a vision of “Discovered in Japan for Global Health” the company discovers pharmaceutical compounds in Japan in cooperation with leading Japanese life scientists, and develops them into innovative drugs for the global population. Several of its development programmes have already advanced to the clinical stage. aRigen Pharmaceuticals has a track record of partnerships and licenses with other pharmaceutical companies. The Company was established by highly experienced scientists and well-seasoned business executives in January 2001.

**About Taiho Pharmaceutical Co., Ltd. ([www.taiho.co.jp](http://www.taiho.co.jp))**

Established	June 1, 1963
Head office	1-27 Kandanshiki-cho, Chiyoda-ku, Tokyo 101-8444, Japan
Representative	Toru Usami
No. of employees	2,589 as of June 2008
Capital	200 million yen
Sales	128.4 billion yen (fiscal year June, 2008)
Scope of business	Research, development, marketing, sale and manufacturing of drugs, quasi-drugs and other pharmaceutical products

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