Sucampo and Takeda to Enter into an Agreement for a New Drug, Lubiprostone, for Chronic Constipation and Constipation-predominant Irritable Bowel Syndrome

Release Date: Nov 1, 2004

Sucampo Pharmaceuticals, Inc. (Bethesda, Maryland, "Sucampo") and Takeda Pharmaceutical Company Limited (Osaka, Japan, "Takeda") jointly announced today that both parties have entered into a collaboration and license agreement for Lubiprostone (generic name) which was developed by Sucampo in the U.S. as a novel compound with new mechanism of action for the treatment of chronic constipation and constipation-predominant Irritable Bowel Syndrome (IBS).

Under the agreement, the right to market the product in the U.S. and Canada will be granted to Takeda, while Sucampo reserves the co-promotion right in these countries. Takeda's wholly-owned U.S. subsidiary, Takeda Pharmaceuticals North America Inc. ("TPNA") will sell this product once the product is approved by the U.S. Food and Drug Administration ("FDA"). The option for marketing right in other territories including Japan and Europe will also be granted to Takeda. Takeda and Sucampo also agreed on the exclusive manufacturing and supply of Lubiprostone by R-Tech Ueno, Ltd (Tokyo, Japan), a member of Sucampo Group.

Sucampo has the potential to receive up to $210 million in initial and milestone payments, some of which are contingent upon the successful achievement of several milestones. Furthermore, as a part of the collaboration, Takeda will fund a major part of development costs not only for chronic constipation and constipation-predominant IBS but also for other indications in the gastroenterology field. Takeda will also make royalty payments to Sucampo after the product is launched. Further details are not disclosed.

Lubiprostone, an orally-administered formulation, was discovered by Ryuji Ueno, MD, PhD, PhD, Chief Scientific Officer of Sucampo and is being developed by Sucampo for the treatment of chronic constipation and constipation-predominant IBS, based on its molecular mechanism of action as a chloride channel opener, which causes an increase in intestinal fluid secretion. In the U.S., the phase III studies for chronic constipation were completed and a New Drug Application (NDA) is under preparation, while for constipation-predominant IBS, the phase II studies were completed and the development stage is expected to enter phase III soon.

"This collaboration and license agreement is a major milestone for Sucampo," said President and CEO, Sachiko Kuno, PhD. "We are greatly encouraged by this strategic alliance with Takeda, which already established an excellent reputation in its ability to promote market-leading product in the U.S., and the synergies that will result from the combined efforts of Takeda and Sucampo, all of which will maximize market opportunity for Lubiprostone."

"We are extremely excited about entering into an agreement with Sucampo in which we will be granted the right to market Lubiprostone by Takeda", said Yasuchika Hasegawa, President and COO of Takeda. "Regarding IBS, there are at the present not so many products available and there is a definite need for new drugs that are both effective and safe. We believe that Lubiprostone will enable us to offer new treatment options for patients suffering from chronic constipation and constipation-predominant IBS".

About Sucampo & R-Tech Ueno

Sucampo Pharmaceuticals, Inc. is an R&D-oriented pharmaceutical company focusing on gastrointestinal, respiratory, vascular and central nervous system diseases.

Sucampo's platform technology is based on Dr. Ueno's discovery of prostones and their unique biological activities inclusive of regulation of chloride channels. In addition to Lubiprostone, Sucampo's pipeline compounds consist of SPI-8811, another prostone targeting respiratory and liver diseases, and FK506, a potent immunosuppressant for the treatment of dry eye, both of which are currently in Phase II development.

SPI-8811 received orphan drug status for the treatment of Cystic Fibrosis from the FDA. Cystic Fibrosis is a life threatening genetic disease affecting approximately 30,000 young patients in the U.S.

R-Tech Ueno is a Japan-based medical technology company focused on research, development and manufacturing of innovative pharmaceutical products. The company manufactures and sells "Rescula® Eye Drop", the first pharmaceutical prostone product for the treatment of glaucoma.

Outline of Sucampo & R-Tech Ueno

Sucampo
Name: Sucampo Pharmaceuticals, Inc.
Location: 4733 Bethesda Avenue, Suite 450, Bethesda, Maryland 20814, U.S.A.
Established: 1996
Representative: President and Chief Executive Officer, Sachiko Kuno, Ph.D.
Web URL: http://www.sucampo.com/

R-Tech Ueno
Name: R-Tech Ueno, Ltd.
Location: 1-1-7 Uchisaiwaicho, Chiyoda-ku, Tokyo 669-1339 Japan
Established: 1989
Representative: President and Representative Director, Mitsunaga Tada
Web URL: http://www.rtechueno.com

About Takeda

Takeda's 2001-2005 medium-term plan sets a course by which the company will become an "R&D-driven world-class pharmaceutical company". Takeda will make all the best efforts to enhance the R&D pipeline by reinforcing our in-house R&D, promoting life cycle management, and actively introducing new products and form alliances in order to realize its management mission of "striving toward better health for individuals and progress in medicine by developing superior pharmaceutical products".

U.S. operations are run by wholly owned subsidiary TPNA Inc. and TAP Pharmaceutical Products Inc., a joint venture between Takeda and Abbott Laboratories. TPNA markets the oral type 2 diabetes treatment Actos under the co-promotion with Eli Lilly and Company. The product Actos, launched in 1999, has been showing a remarkable growth mainly targeting primary care physicians market, and is the seventh fastest product to reach US$1 billion sales in the history of the U.S. pharmaceutical industry, recording US$1,364 million sales in 2003. TAP sells two products, Lupron Depot, for prostrate cancer and endometriosis, and Prevacid, for heartburn, GERD, and peptic ulcers. Takeda's U.S. based global research and development organization, Takeda Global Research & Development Center Inc., submitted a new drug application (NDA) to the FDA to market ramelteon (TAK-375), its investigational drug for insomnia on September 22, 2004. Meanwhile, the right to market TavoceptTM (generic name: dimesna) inn the U.S. and Canada was licensed to Takeda from BioNumerik Pharmaceuticals, Inc. on October 7, 2004.

Outline of Takeda & TPNA

Takeda
Name: Takeda Pharmaceutical Company Limited
Location: 1-1Doshomachi 4-chome, Chuo-ku,
Osaka 540-8645, JAPAN
Established: 1781
Representative: President and Chief Operating Officer,
Yasuchika Hasegawa
Web URL: http://www.takeda.co.jp/

TPNA
Name: Takeda Pharmaceuticals North America, Inc.
Location: 475 Half Day Road, Lincolnshire,
Illinois, 60069, U.S.A.
Established: 1998
Representative: President, Mark Booth
Web URL: http://www.tpna.com/

About Constipation and Chronic Constipation

Constipation, defined as infrequent and difficult passage of stool, is one of the most common disorders suffered by Americans. It affects between 2% and 27% of the population in Western countries. In the U.S., it results in more than 2.5 million visits to physicians, 92,000 hospitalizations. (*1) Factors contributing to the development of constipation include a diet low in soluble and insoluble fiber, inadequate exercise, bowel disorders, neuromuscular disorders and poor abdominal pressure/muscular atrophy. Other contributing factors include side effects from medication, particularly narcotic analgesics, antidepressants, anticholinergics, antispasmodics and antihistamines. Chronic constipation is a disorder of colon motility which is present for at least 3 months and results in infrequent bowel movements and demonstrated difficulty in evacuating stools.

About Irritable Bowel Syndrome (IBS)

IBS is a chronic, recurrent disorder characterized by the multiple symptoms of abdominal pain and discomfort, bloating, and extreme changes of bowel habits such as constipation and/or diarrhea. IBS is considered to be one of the most common gastrointestinal disorders. It is reported that Approximately 30 million people in North America meet the diagnostic criteria for IBS. (*2) There is currently few choice of treatment available for the multiple symptoms of IBS. According to the American Gastroenterological Association, the cause of IBS is not known. It is said that this disease could be caused by the disorder of lifestyle or psycho logic stress, though causal factor of the disease is not unknown. Patients diagnosed with IBS are commonly classified as having constipation-predominant IBS, diarrhea-predominant IBS or alternative IBS (alternating between constipation and diarrhea). The condition causes great deal of discomfort and distress for its sufferers. While not life threatening, it can significantly interfere with the sufferers´ daily activities and reduce their quality of life.

About Chloride channel

Chloride channel is a protein that controls cell membrane transport of chloride ion. Several types of chloride channels have been identified in various kind of organs. Lubiprostone acts on the CIC-2 chloride channel which locates in the apical intestinal membrane.

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