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(translation)

Notice of NDA application in Japan for a glaucoma treatment drug “K-115 (nonproprietary name: Ripasudil hydrochloride hydrate)” by Kowa Company Limited

Concerning an Rho kinase <sup>(Note 1)</sup> inhibitor “K-115 (nonproprietary name: Ripasudil hydrochloride hydrate, dosage form: ophthalmic solution)” (“this drug”) created by our company, we were notified today by the licensed-out company Kowa Company Limited that they filed NDA application with Ministry of Health, Labor & Welfare for marketing of this drug in Japan under the indication of glaucoma & ocular hypertension <sup>(Note 2)</sup>.

This drug is a glaucoma & ocular hypertension treatment drug with the action mechanism that is created the first time in the world. That is, the drug enhances the aqueous outflow from the main outflow route through the trabecular meshwork-Schlemm canal by inhibiting Rho kinase (ROCK: Rho-associated, coiled-coil containing protein kinase), thereby decreasing intraocular pressure.

It was confirmed that this drug demonstrated the effect to decrease intraocular pressure both in the monotherapy and in the concomitant therapy using existing glaucoma & ocular hypertension treatment drug in the clinical studies conducted in the patients with primary open-angle glaucoma and ocular hypertension in Japan.

Through this NDA, our company receives from Kowa Company Limited the milestone based on the contract. Since this case is included in the estimated results announced on April 2, 2013, there will be no change in the estimated results in the December term of 2013.

end

## Explanation of terms

(Note 1) Rho kinase (ROCK: Rho-associated, coiled-coil containing protein kinase)

Rho kinase is one of the protein phosphorylation enzymes (protein kinase). This enzyme is involved in the regulation mechanism of versatile cell responses based on the Rho-ROCK information transmission.

(Note 2) Glaucoma & Ocular hypertension

Glaucoma causes characteristic changes in the optic nerve and field of vision. It is a disease characterized by the abnormality in the function and structure of eye that can originally improve or suppress the optic nerve disorders by sufficiently decreasing the intraocular pressure. If left without appropriate treatment, the disease causes narrowing of visual field, leading to loss of vision. This disease is ranked the first in the causes of secondary loss of vision (2005) in Japan. Ocular hypertension refers to the pathology in which the intraocular pressure exceeds the normal level even though the narrowing of visual field is not observed.

According to the detailed epidemiological survey of glaucoma conducted from 2000 to 2002, the glaucoma morbidity in adults (those 40 years old or older) was 5.0%, and it is reported that about 80% (3.9%) of them had primary open-angle glaucoma (in the broad sense of meaning).

At present, the only reliable glaucoma treatment method that is based on the evidence is “to decrease the intraocular pressure”, and the drug therapy is the first choice in the treatment of primary open-angle glaucoma (in the broad sense of meaning).