



**FOR IMMEDIATE RELEASE**

Tokyo, October 26, 2017

**JT and Torii Sign Exclusive License Agreement for Development and Commercialization of HIF-PH inhibitor in Japan**

Japan Tobacco Inc. (JT) (TSE:2914) and Torii Pharmaceutical Co., Ltd. (Torii) (TSE:4551) have announced today the conclusion of an exclusive agreement for co-development and commercialization of JT's original compound, JTZ-951, a new experimental hypoxia inducible factor - prolyl hydroxylase domain containing protein (HIF - PH) inhibitor in Japan. JTZ-951 is discovered and developed by JT for the treatment of anemia associated with chronic kidney disease (CKD).

JTZ-951 is expected to inhibit HIF-PHD\* and contributes to ensure appearance of HIF. The candidate compound works by accelerating the production of endogenous erythropoietin (EPO), controlling expression of molecules responsible for iron metabolism and promoting the production of red blood cells. JTZ-951 is currently in phase 2 trials in Japan.

\* HIF-PHD is the hydroxylase which degrades the HIF, a transcription factor that responds to hypoxia and promotes haematopoiesis of erythrocytes.

Under the terms of the agreement, JT and Torii will jointly develop JTZ-951 in Japan, with Torii commercializing it once the development and necessary approval procedures have been completed. Torii will pay upfront licensing fees to JT.

JT and Torii continue their efforts to improve commercial value in JTZ-951 by leveraging Torii's significant experience in the Japanese renal diseases and hemodialysis area.

The impact of the conclusion of the agreement is expected to be minor on the Group's consolidated business performance in the fiscal year ending December 2017, and it is also included in Torii's forecasts for the fiscal year ending December 2017, announced today.

## **ABOUT Anemia Associated with CKD**

Anemia is one of the complications in patients CKD. The major cause of anemia in patients with CKD is considered to be a decreased ability to produce EPO in the kidney associated with renal dysfunction. Insufficient oxygen supply due to decreased erythrocyte counts associated with anemia decreases the energy production in organs and induces reduction in the motor performance and activities in daily life, which leads to a poor quality of life (QOL).

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*Japan Tobacco Inc. is a leading international tobacco company. Its products are sold in over 120 countries and its globally recognized brands include Winston, Camel, Mevius, LD and Natural American Spirit. With diversified operations, JT is also actively present in pharmaceuticals and processed foods. The company's revenue was ¥2.143 trillion (US\$19,703 million(\*)) in the fiscal year ended December 31, 2016.*

*\*Translated at the rate of ¥108.78 per \$1*

Contact for Japan Tobacco Inc.:  
Masahiro Shirasu, General Manager  
Media and Investor Relations Division  
Japan Tobacco Inc. Tokyo: +81-3-5572-4292  
E-mail: [jt.media.relations@jt.com](mailto:jt.media.relations@jt.com)

Contact for Torii Pharmaceutical Co., Ltd.:  
Corporate Planning Department  
(Public Relations)  
Torii Pharmaceutical Co., Ltd.  
Tokyo: +81-3-3231-6814