



Re: Schering acquires "Mitsui Pharmaceuticals, Inc." - strengthening position in Japan and in Therapeutics

January 12, 2000
Nihon Schering K.K.
Mitsui Chemicals, Inc.

Nihon Schering K.K. (based in Osaka; President: Mr. Joerg Graumann) and Mitsui Chemicals, Inc. (based in Chiyoda-ku, Tokyo; President: Dr. Hiroyuki Nakanishi) agreed today that Nihon Schering will acquire all outstanding shares of Mitsui Pharmaceuticals, Inc. (based in Chuo-ku, Tokyo; President: Mr. Toshio Suganuma), a subsidiary of Mitsui Chemicals, Inc., and signed the agreement.

Mitsui Pharmaceuticals was established in August 1971, first as a 100% subsidiary of Mitsui Chemicals, then, in 1972 with capital participation by other companies of Mitsui Group. In the financial year to March 1999, pharmaceutical net sales of Mitsui Pharmaceuticals accounted for about 12 billion yen. Mitsui Chemicals will transfer all the outstanding shares of Mitsui Pharmaceuticals to Nihon Schering, after once acquiring all the shares owned by other companies.

Similarly to Schering's Therapeutics business segments, Mitsui Pharmaceuticals is focusing on the three main areas of Oncology, Cardiovascular and Central Nervous System, providing a perfect strategic fit of both companies. Mitsui Pharmaceuticals's distinctive expertise and experience in the development of therapeutic products and its sales and marketing organization will ideally complement Nihon Schering's future pipeline in therapeutics.

This acquisition will be another important step in Schering's new expansion policy. Japan is a key strategic market of Schering as it generates approximately 11% of Schering Group's sales. Until now, Diagnostic products have accounted for over 80% of Nihon Schering's sales. After receiving the first registration for the oral contraceptive pill in Japan last year, Schering has already started a business expansion into Female Healthcare by launching Triquilar.

Schering's therapeutic business accounts for 31% of sales on a global level but did not reach a similar share in Japan as yet. The acquisition of Mitsui Pharmaceuticals and the development pipeline resulting from Schering's global R&D efforts will now give Nihon Schering the opportunity to significantly increase its presence in the Japanese therapeutics market, with a focus on disabling diseases.

Nihon Schering plans to launch two new therapeutic products - Fludara and Betaferon - in Japan in 2000, addressing unmet medical needs in leukemia and multiple sclerosis. At the same time Nihon Schering, now with the added support of Mitsui Pharmaceuticals, will participate in the global development of several new projects. In addition, Mitsui's projects will be added to Schering's global portfolio, e.g. MS-209 being developed in Japan and overseas as a drug resistance modulator, as well as other promising clinical and preclinical projects.

Schering is a research-based pharmaceutical company. As a global player with innovative products, Schering aims for leading positions in specialized markets worldwide. Schering's activities are focused on four business areas: diagnostics, gynecology and therapeutics for disabling diseases, e.g. multiple sclerosis, cardiovascular and oncology and dermatology. With in-house R&D and an excellent R&D network with external partners, Schering is securing innovation and a promising product pipeline. Using new ideas, Schering aims to make a recognized contribution to medical progress, and strives to improve the quality of life.

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