Israel’s Teva Pharmaceutical and Japanese firm Kowa Company have signed a definitive agreement to establish a generic pharmaceutical company in Japan. The company, Teva-Kowa Pharma Limited will seek to leverage the marketing, research and development (R&D), manufacturing and distribution capabilities of each company to become a broad-based supplier of high quality generic pharmaceutical products for the Japanese market and reach sales of US$1 billion in 2015, as quoted from a press release.

Each company will have a 50% stake in Teva-Kowa Pharma, which will become operational in 2009.

Elaborating on the occasion, Mr Shlomo Yanai, Teva’s president and CEO, said: “Combining Kowa’s knowledge and established reputation within the Japanese market with Teva’s global leadership and expertise in generics should enable us to maximize the opportunity available in this important growth market. Our objective is to provide the Japanese generic market, which is expected to double in volume in the next five years, with high-quality and affordable pharmaceuticals, supporting the government’s stated objective of increasing generic penetration.”

Mr Yoshihiro Miwa, Kowa’s president and CEO, added: “The strategic alliance between Kowa and Teva will leverage both companies’ respective strengths to meet the needs of medical institutions and patients for high-quality and cost-effective generic pharmaceuticals. By combining our respective capabilities in a new company, Kowa and Teva are creating a unique business model and a robust base in Japan’s generic pharmaceuticals market.”

Japan is the second largest pharmaceutical market in the world, valued at approximately US$80 billion. Generics represent only 5.7% in value (approximately US$4.6 billion) or 16.9% in volume in 2006, according to IMS (a global leader in health information solutions) and the data from the Japanese Generics Manufacturing Association. In 2007, Japan’s Ministry of Finance announced a plan to double the generic utilization to 30% by 2012.
About Kowa Company
Since its establishment in 1894, Kowa has grown into a multinational Japanese company actively engaged in various manufacturing and trading activities in the fields of pharmaceutical, life science and information technology, textiles, machinery and various consumer products. Kowa has, during its long history, consistently striven to meet the changing needs of the future generations with its continuing entrepreneurial initiative. It is this commitment to consistency and initiative in an ever-changing world that Kowa vows to carry forward through each generation. For pharmaceutical business, Kowa is responsible for sales and marketing of innovative drugs and focuses on promoting cardiovascular drugs, such as treatment drug for hypercholesterolemia “Livalo tablet” and hypertension drug “Olmetec tablet” through its wholly owned subsidiary, Kowa Pharmaceutical Co. Ltd. In addition, Kowa has focused on lifestyle diseases (arteriosclerosis, kidney disorder and diabetes) as main strategic therapeutic area for R&D.

About Teva Pharmaceutical Industries Ltd.
Teva Pharmaceutical Industries Ltd., headquartered in Israel, is a global pharmaceutical company specializing in the development, production and marketing of generic and proprietary branded pharmaceuticals as well as active pharmaceutical ingredients. Teva is among the top 20 pharmaceutical companies and among the largest generic pharmaceutical companies in the world. The company develops, manufactures and markets generic and innovative human pharmaceuticals and active pharmaceutical ingredients, as well as animal health pharmaceutical products. Over 80% of Teva’s sales are in North America and Europe.

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