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**For Immediate Release**

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**Otsuka Pharmaceutical and Avanir Pharmaceuticals to Continue Clinical Development of Investigational AVP-786 for the Treatment of Agitation in Patients with Alzheimer’s Dementia**

Otsuka Holdings Co., Ltd. announces that Otsuka Pharmaceutical Co., Ltd. and its U.S.-based, indirect subsidiary Avanir Pharmaceuticals, Inc., have decided to continue the clinical development program of AVP-786 (a combination of deudextromethorphan hydrobromide and quinidine sulfate) for the treatment of agitation in patients with Alzheimer’s dementia. The decision is based on insights derived from detailed analysis of data from the first and the second phase 3 AVP-786 clinical trials.\*

\* Preliminary results of the first and the second phase 3 clinical trials (15-AVP-786-301 and 15-AVP-786-302) were released March 25 and September 27, 2019, respectively.

The ongoing third phase 3 clinical trial (17-AVP-786-305) will be continued, and additional phase 3 trial activity will be started in the 2020 fiscal year.

At present, this matter has no impact on the consolidated financial forecast of the 2019 fiscal year.