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**Media Contacts:**  
Daiichi Sankyo Company, Ltd.  
+81-3-6225-1126

NGM Biopharmaceuticals, Inc.  
Aetna Wun Trombley, Ph.D.  
+1-650-243-5555  
[ir@ngmbio.com](mailto:ir@ngmbio.com)

**NGM and Daiichi Sankyo Collaborate to Discover and Develop Innovative Therapeutics for Diabetes**

**Tokyo, Japan (March 29, 2012) and South San Francisco, CA (March 28, 2012)** – Daiichi Sankyo Company, Ltd. (hereafter, Daiichi Sankyo) and NGM Biopharmaceuticals, Inc. (hereafter, NGM) announced today that they have entered into a research collaboration and license agreement to discover and develop novel therapeutics that modulate beta-cell regeneration for the treatment of diabetes. The loss or decline of beta-cell function contributes to the pathogenesis of diabetes, a chronic disease that ultimately necessitates insulin therapy for the majority of sufferers. A therapeutic providing for beta-cell regeneration could potentially be disease-modifying and represent a significant advance for patients suffering from Type 1 or Type 2 diabetes.

As part of this collaboration, NGM will apply its integrated discovery technology and *in vivo* screening platform to identify and validate physiologically-relevant metabolic targets that modulate beta-cell growth and function. Daiichi Sankyo and NGM will jointly conduct research on selected targets with the goal of identifying and optimizing drug candidates for further development. Daiichi Sankyo will assume responsibility for preclinical studies, clinical development, manufacturing and commercialization on a worldwide basis.

Under the terms of the agreement, NGM will receive an upfront payment and committed research funding for the duration of the collaboration. In addition, NGM is eligible to receive payments upon the achievement of research, development, regulatory and commercial milestones, as well as royalties on product sales. Daiichi Sankyo will receive an exclusive worldwide license to develop and commercialize compounds resulting from the collaboration.

“We are delighted to enter into this partnership with Daiichi Sankyo, a company that shares our commitment to developing innovative pharmaceutical products for the treatment of metabolic diseases and with whom members of our management team have enjoyed a productive relationship in the past,”

said Jin-Long Chen, Ph.D., chief scientific officer, president and founder of NGM. “NGM has established a robust translational research platform based on human biology that is capable of discovering novel drug targets, and we look forward to applying our technology to the emerging area of beta-cell regeneration.”

“We are extremely confident that this collaboration will expand our research activities in the Cardiovascular Metabolic area, which is a high priority target area for our company,” said Dr. Kazunori Hirokawa, M.D., Ph.D., global head of the R&D Unit of Daiichi Sankyo. “Furthermore, I expect this collaboration to result in an innovative pharmaceutical product that meets an unmet medical need in the Cardiovascular Metabolic area. As a Global Pharma Innovator, identifying and meeting unmet medical needs is an important part of Daiichi Sankyo’s mission.”

#### About NGM Biopharmaceuticals, Inc.

Founded in 2008, NGM is a privately-held drug discovery company in South San Francisco, California committed to the identification and development of transformational biologics for diabetes, obesity, muscle wasting and other cardiometabolic diseases. The Company is focused on discovering the next generation of therapeutics that will fundamentally change the treatment paradigm for the growing population of cardiometabolic disease patients worldwide. NGM has identified a rich pipeline of novel targets with profound metabolic effects in various *in vivo* models of Type 2 diabetes, obesity and muscle wasting. In addition, NGM has partnered with JDRF to discover novel biologics for the treatment of Type 1 diabetes. For more information, please visit the company’s website at [www.ngmbio.com](http://www.ngmbio.com).

#### About Daiichi Sankyo

Daiichi Sankyo Group is dedicated to the creation and supply of innovative pharmaceutical products to address the diversified, unmet medical needs of patients in both mature and emerging markets. While maintaining its portfolio of marketed pharmaceuticals for hypertension, hyperlipidemia and bacterial infections, the Group is engaged in the development of treatments for thrombotic disorders and focused on the discovery of novel oncology and cardiovascular-metabolic therapies. Furthermore, the Daiichi Sankyo Group has created a "Hybrid Business Model," which will respond to market and customer diversity and optimise growth opportunities across the value chain. For more information, please visit: [www.daiichisankyo.com](http://www.daiichisankyo.com).