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For Immediate Release

Tularik and Japan Tobacco Announce Major Drug Discovery Alliance

Tularik to form a new subsidiary dedicated to the discovery of novel therapeutics for the treatment of metabolic diseases

South San Francisco, CA - May 31, 2000 - Tularik Inc. (NASDAQ: TLRK) and Japan Tobacco Inc. announced today that they have entered into a broad collaborative agreement for the discovery, development and commercialization of products for the treatment of metabolic diseases. Under the terms of the agreement, Tularik will form a wholly-owned subsidiary to conduct the research portion of the collaboration. The research to be conducted by the subsidiary will be independent from any research programs that currently exist at Tularik or Japan Tobacco. The subsidiary will be located in South San Francisco, California.

This alliance is the third and most extensive between Tularik and Japan Tobacco. The companies have ongoing partnerships in the areas of orphan nuclear receptor research and diabetes/obesity research. The subsidiary will utilize Tularik's innovative gene regulation approach to discover novel and superior drugs to treat metabolic diseases. Tularik's broad technology platform focuses on therapeutic programs that represent attractive market opportunities and address significant unmet medical needs.

Japan Tobacco will make an immediate payment of \$25 million and will make research and other payments to Tularik in excess of \$50 million during the five year term of the agreement. Expenses incurred in conjunction with the development and commercialization of any compound identified by the subsidiary will be shared equally by the parties. Tularik and Japan Tobacco will also share equally all profit from the commercialization of any compound identified by the subsidiary during the collaboration. Japan Tobacco has the option to purchase the subsidiary at various times.

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“Through our two existing collaborations, Japan Tobacco is aware of our high standards and productivity in drug discovery,” stated David V. Goeddel, Ph.D., Chief Executive Officer of Tularik. “This new collaborative partnership assigns economic value to Tularik’s proven ability to attract, retain and motivate world class scientists. We are very pleased that Japan Tobacco chose Tularik to build its research operation in the United States.”

“This agreement represents one of the most significant partnerships we have entered into with a biopharmaceutical company,” stated Takashi Kato, Managing Director, Pharmaceutical Division of Japan Tobacco. “As we take steps to strengthen our research program, we have analyzed many new opportunities. Once again, we have found the expertise and management at Tularik to be superior. We look forward to our most productive collaboration yet.”

Japan Tobacco is a diversified company with annual revenues of approximately \$41 billion and assets exceeding \$29 billion. Japan Tobacco entered the pharmaceutical business in 1987 and currently markets a wide range of ethical pharmaceutical products. Japan Tobacco is currently engaged in the clinical development of anti-diabetic and anti-inflammatory agents, among other products, and has launched a 5HT3 antagonist as an anti-emetic drug, as well as anti-HIV drug Viracept® in Japan. Japan Tobacco presently conducts drug discovery research in its Central Pharmaceutical Research Institute.

Tularik is engaged in the discovery and development of a broad range of novel and superior orally available drugs based on gene regulation. Tularik programs address cancer, CMV, diabetes, obesity, inflammation, allergy/asthma, lipid disorders and bacterial diseases, and a class of targets known as orphan nuclear receptors. In addition to Japan Tobacco, Tularik has ongoing strategic partnerships with Roche Bioscience and Knoll AG. For additional information, visit Tularik’s Internet website at www.tularik.com

Statements in this press release that are not strictly historical are “forward-looking” statements as defined in the Private Securities Litigation Reform Act of 1995. There can be no assurance that Tularik will obtain necessary regulatory approvals for its drug candidates or be able to develop a commercially viable pharmaceutical product. These and other risks are more fully discussed in Tularik’s SEC reports, including the annual report on Form 10-K for the year ended December 31, 1999.

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