



November 1, 2017

**Notice Regarding Mitsubishi Tanabe Pharma's
Acquisition of Stelic Institute & Co., Inc.
Securing Nucleic Acid Pharmaceuticals of
Inflammatory bowel disease for Future Launch in the U.S.**

Mitsubishi Tanabe Pharma Corporation (Head Office: Chuo-ku, Osaka; President and Representative Director: Masayuki Mitsuka; hereafter, "Mitsubishi Tanabe Pharma") and Key shareholders of Stelic Institute & Co., Inc. (Head Office: Minato-ku, Tokyo; President and Representative Director: Hiroyuki Yoneyama; hereafter "Stelic") have concluded a stock transfer agreement for the acquisition of Stelic by Mitsubishi Tanabe Pharma. In advance of the acquisition by Mitsubishi Tanabe Pharma, Stelic plans to split into the intestinal disease business and other business. Mitsubishi Tanabe Pharma will, through its wholly-owned subsidiary for the purpose of this acquisition process, then acquire Stelic, which will hold the intestinal disease business after the split.

Stelic's intestinal disease development pipeline includes STNM01 (siRNA, which inhibits carbohydrate sulfotransferase 15 (CHST15), double-strand RNA preparation). STNM01 is a nucleic acid pharmaceutical that is administered via submucosal injection through an endoscope. STNM01 is expected to apply to the patients who do not have enough effectiveness with existing medicine. Development for indications of ulcerative colitis and Crohn's disease is under way in Germany (indication: ulcerative colitis, development stage: phase 2a completed) and Japan (indication: Crohn's disease, development stage: phase 1 completed).

Aiming to build a foundation for sustained growth, Mitsubishi Tanabe Pharma is accelerating its U.S. business development. We have positioned the establishment of a product lineup mainly in neurological diseases and autoimmune diseases area in the U.S. as one of its highest management priorities. As a result, in neurological diseases area in August 2017 we launched Radicava[®] (Japan product name: Radicut[®]) in the U.S. with an indication of amyotrophic lateral sclerosis (ALS). In October 2017, through the acquisition of NeuroDerm Ltd., we strengthened a

pipeline that includes ND0612, a treatment agent for Parkinson's. As a result of the acquisition of Stelic, STNM01 will be added to one of the pipelines in autoimmune diseases area supporting our U.S. business development.

Plans call for the completion of this acquisition within fiscal 2017, after the conclusion of the necessary procedures. In accordance with the stock transfer agreement, when the acquisition is concluded Mitsubishi Tanabe Pharma will provide a lump-sum payment of ¥3.5 billion to shareholders of Stelic. In addition, in line with the progress of development in the U.S., there is the possibility of an additional payment, with a maximum limit of ¥8.4 billion.

This acquisition will not have a significant effect on Mitsubishi Tanabe Pharma's consolidated results for fiscal 2017.

End.

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