

**Mitsubishi Tanabe Pharma Corporation**



## **Mitsubishi Tanabe Pharma to acquire NeuroDerm Ltd.**

**July 24, 2017**  
**Masayuki Mitsuka**  
**President and Representative Director**

# Transaction Overview



## Transaction Overview

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◆ Company: NeuroDerm Ltd.

◆ Transaction Structure:

SPC to merge with NeuroDerm after which NeuroDerm will become the surviving entity

◆ Purchase Price: US\$ 39.00 per share (cash)

◆ Transaction Consideration:

US\$ 1,117 million (fully-diluted basis), All-cash

◆ Transaction Schedule:

NeuroDerm to become a wholly owned subsidiary of MTPC upon merger in October 2017

# NeuroDerm Ltd.



## Company Overview

- ◆ Name: NeuroDerm Ltd.
- ◆ Established: March 18, 2003
- ◆ Headquarter: Rehovot, Israel
- ◆ Representative: Oded S. Lieberman (CEO)
- ◆ Employees: 77 (March 2017)
- ◆ Business Description: A clinical-stage pharmaceutical company developing next-generation treatments for CNS disorders including Parkinson's disease
- ◆ No. of ordinary shares: 26.3mm shares (as of July 21, 2017)
- ◆ Share price: USD 33.20 (NASDAQ Closing Price as of July 21, 2017)
- ◆ Listed Exchange: NASDAQ



## Key Strengths of NeuroDerm

### ◆ Creating ideas and R&D capabilities for next-generation treatments for Parkinson's disease that will make a clinically meaningful difference in patients' lives



Development of new administration routes with new formulations to overcome current limitations



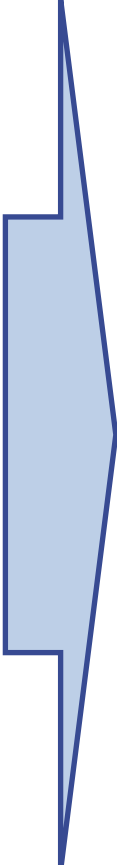
New drug with significant clinical advantages for patient QOL improvement



Strong IP portfolio backed by R&D capabilities



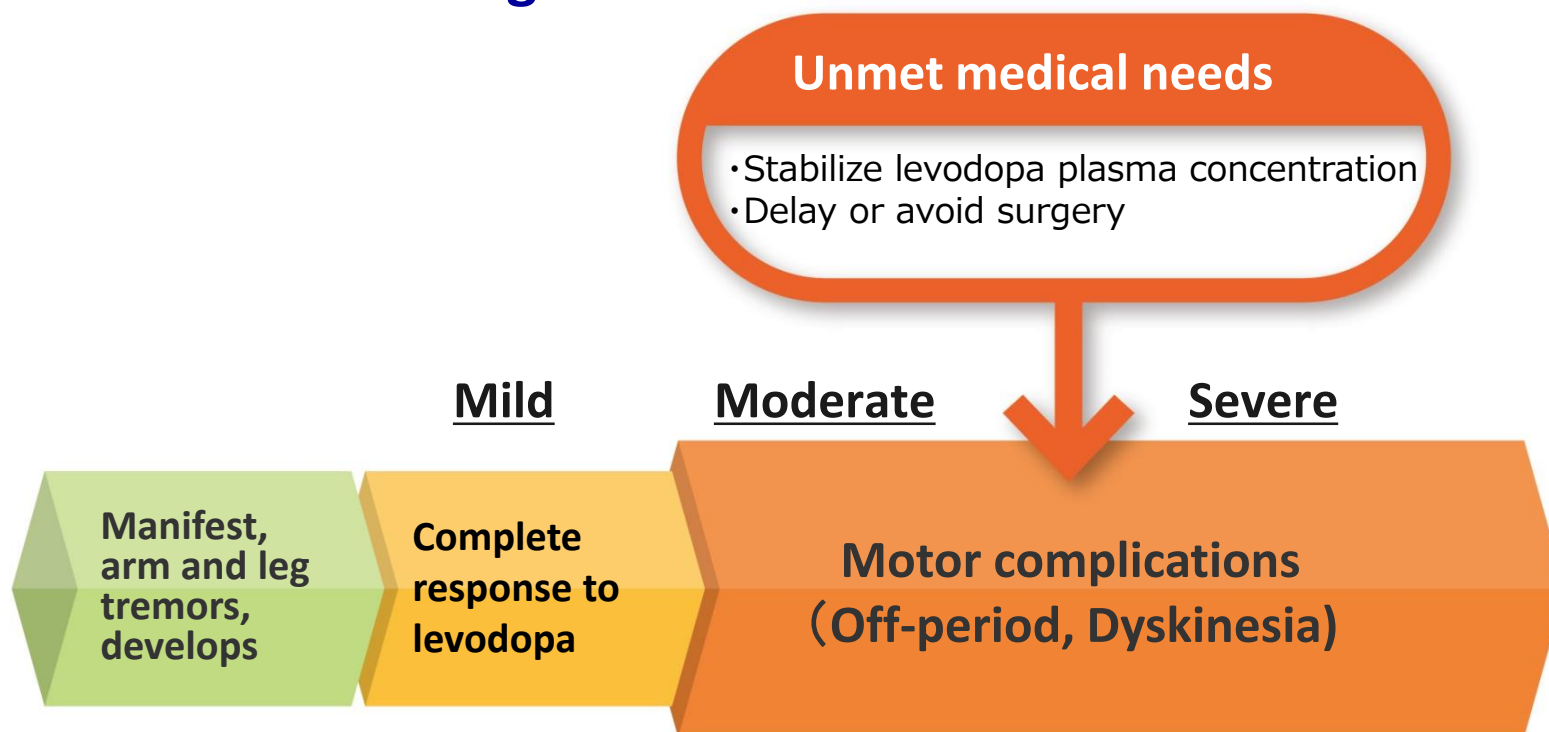
Accelerated lower risk regulatory pathway and short time to market



Innovative Pipeline  
to Challenge Unmet  
Needs of Parkinson's  
disease  
ND0612  
ND0701  
...

# Overview of Parkinson's disease

## Stage of Parkinson's disease



**Standard treatment: oral administration of levodopa and carbidopa**

Moderate to Severe Parkinson's disease patients may go through **gastrostomy surgical procedures** depending on severity of symptoms

~5

0

3

5-10

10years

Number of patients with Parkinson's disease in the U.S.: 1 million\*



## Pipeline Products

- ◆ NeuroDerm has developed patented liquid formulations that, for the first time, enable 24-hour, day and night, continuous subcutaneous administration of levodopa and carbidopa to overcome major deficiencies of current treatments, maintain steady therapeutic levodopa levels and offer patients an improved quality of life

| Products | Generic Name                                            | Expected Indication                | Stage | Target Launch |
|----------|---------------------------------------------------------|------------------------------------|-------|---------------|
| ND0612   | Levodopa / Carbidopa<br>Continuous SC pump / patch pump | Advanced Parkinson's disease       | P3    | FY2019        |
| ND0701   | Apomorphine<br>Continuous SC pump                       | Severe Parkinson's disease         | P2    | -             |
| ND0801   | Nicotine and Opipramol,<br>Transdermal                  | CNS disease<br>Cognition disorders | P2    | -             |

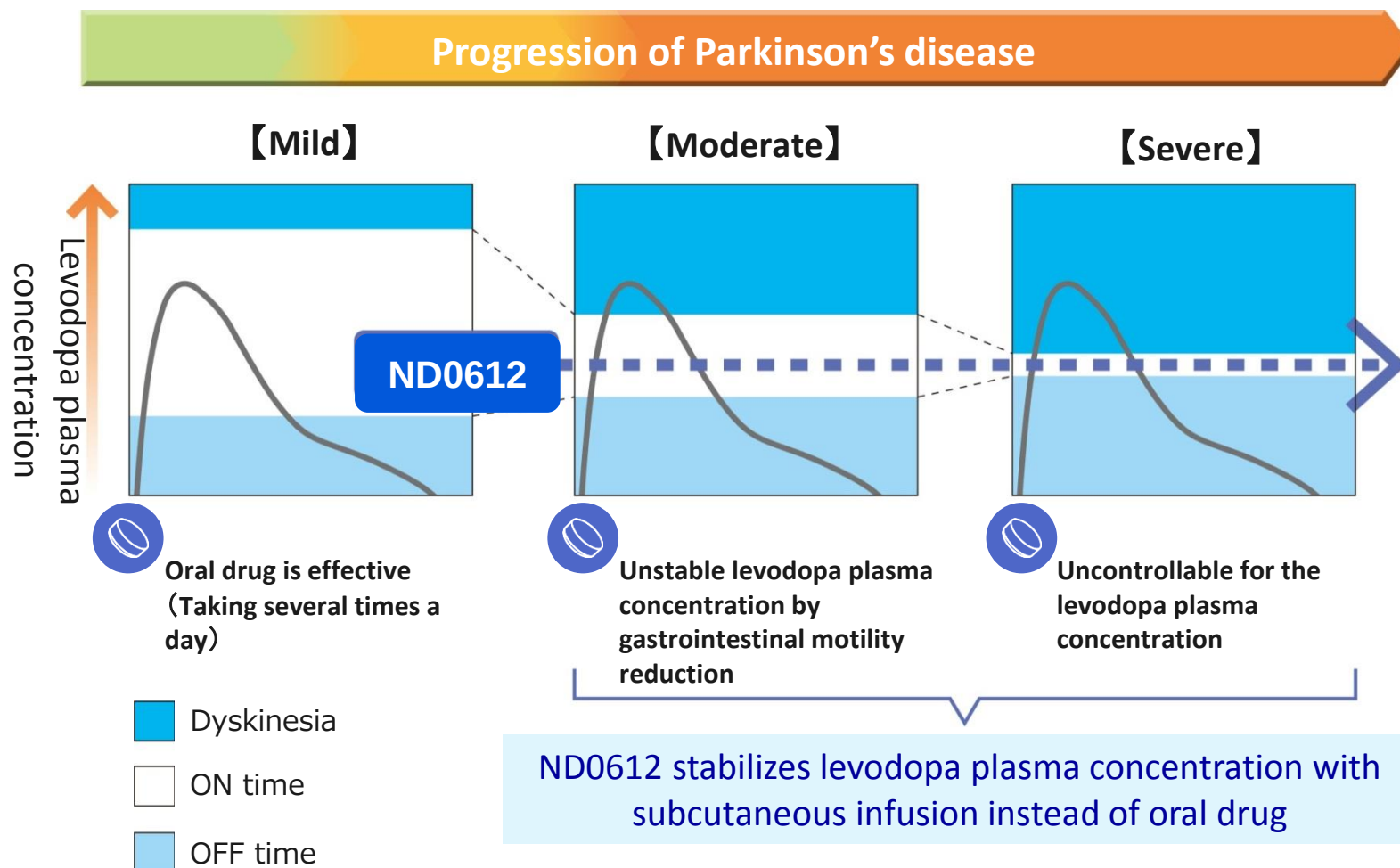
ND0612 pump

ND0612 patch pump  
(Device in development)

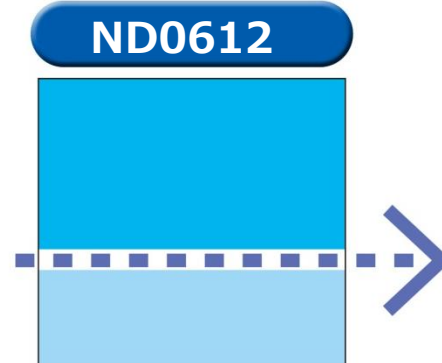
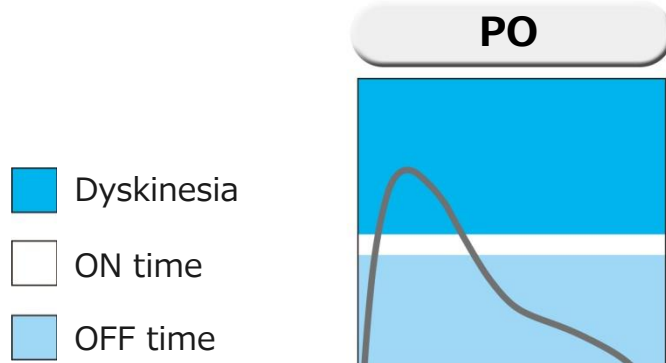
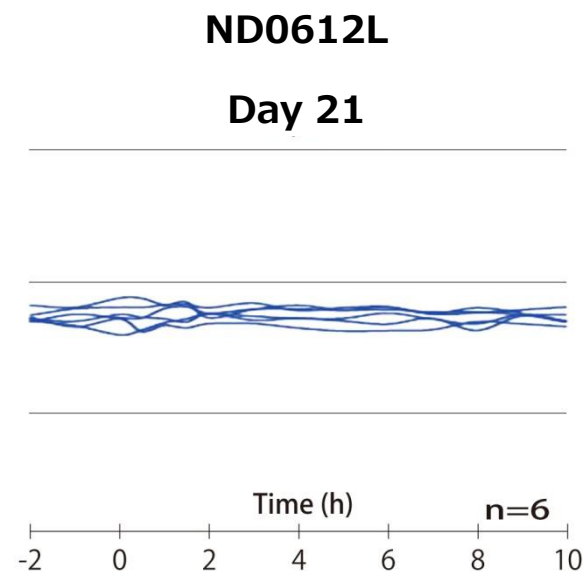
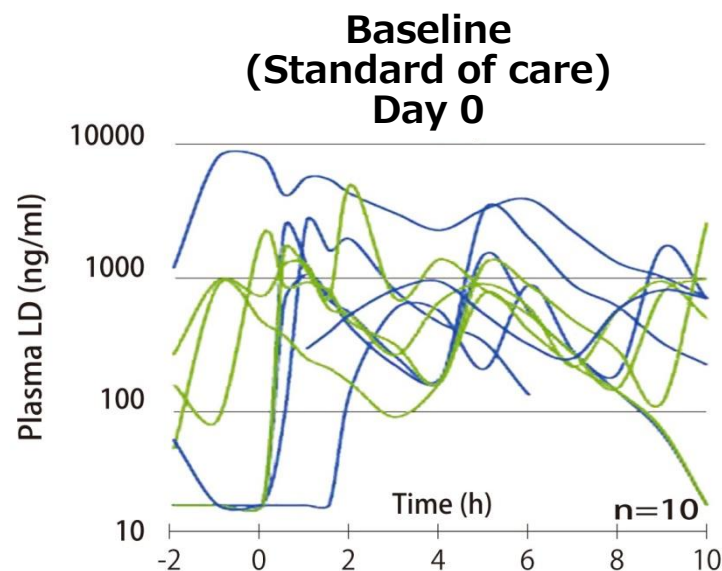


## ND0612 Profile

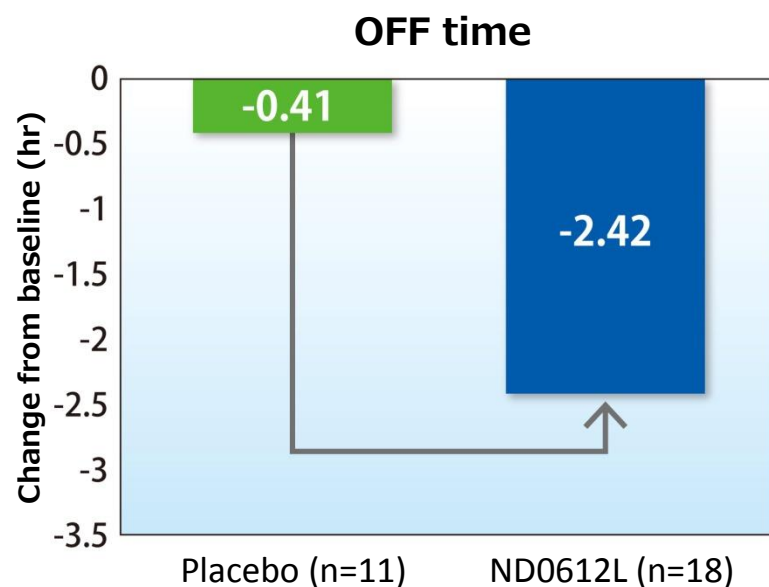
- ◆ **ND0612 stabilizes levodopa plasma concentration and improves motor fluctuations without “paying the penalty” of troublesome dyskinesia**



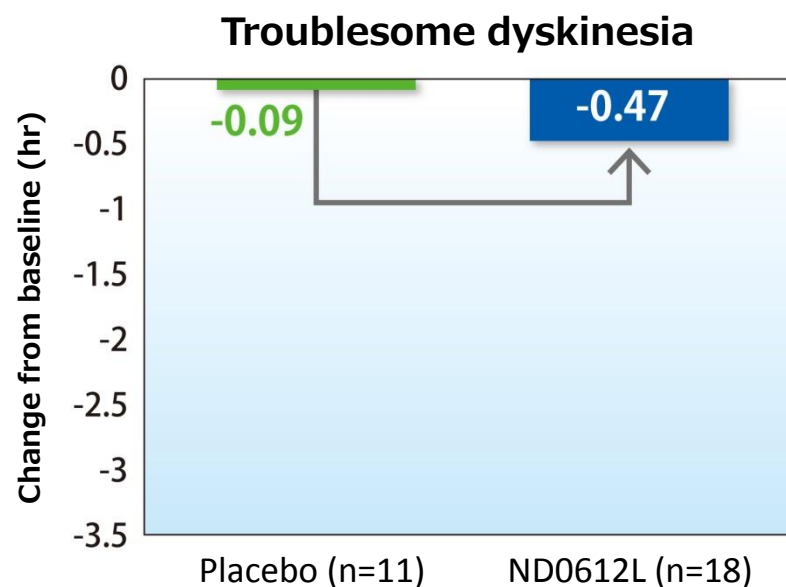
## ND0612 stabilizes levodopa plasma concentration



## ND0612 improves motor fluctuations without “paying the penalty” of troublesome dyskinesia



**2 Hours reduction in OFF time**

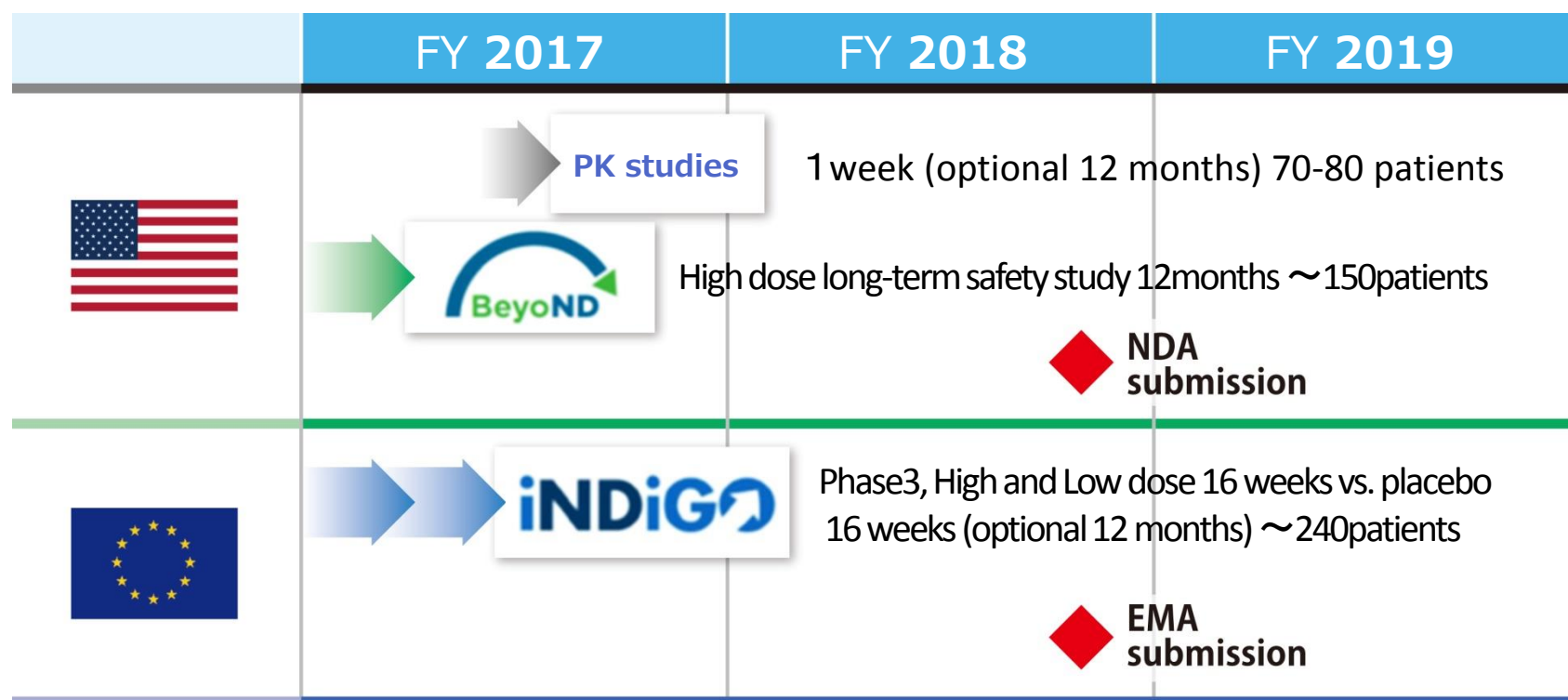


**Reduction in troublesome dyskinesia**

Placebo : Standard treatment

## ND0612 Development Timelines

- ◆ Simultaneous NDA and EMA submission in FY2018. Target Launch in FY2019
- ◆ Target early application in US by PK\* study with existing drugs

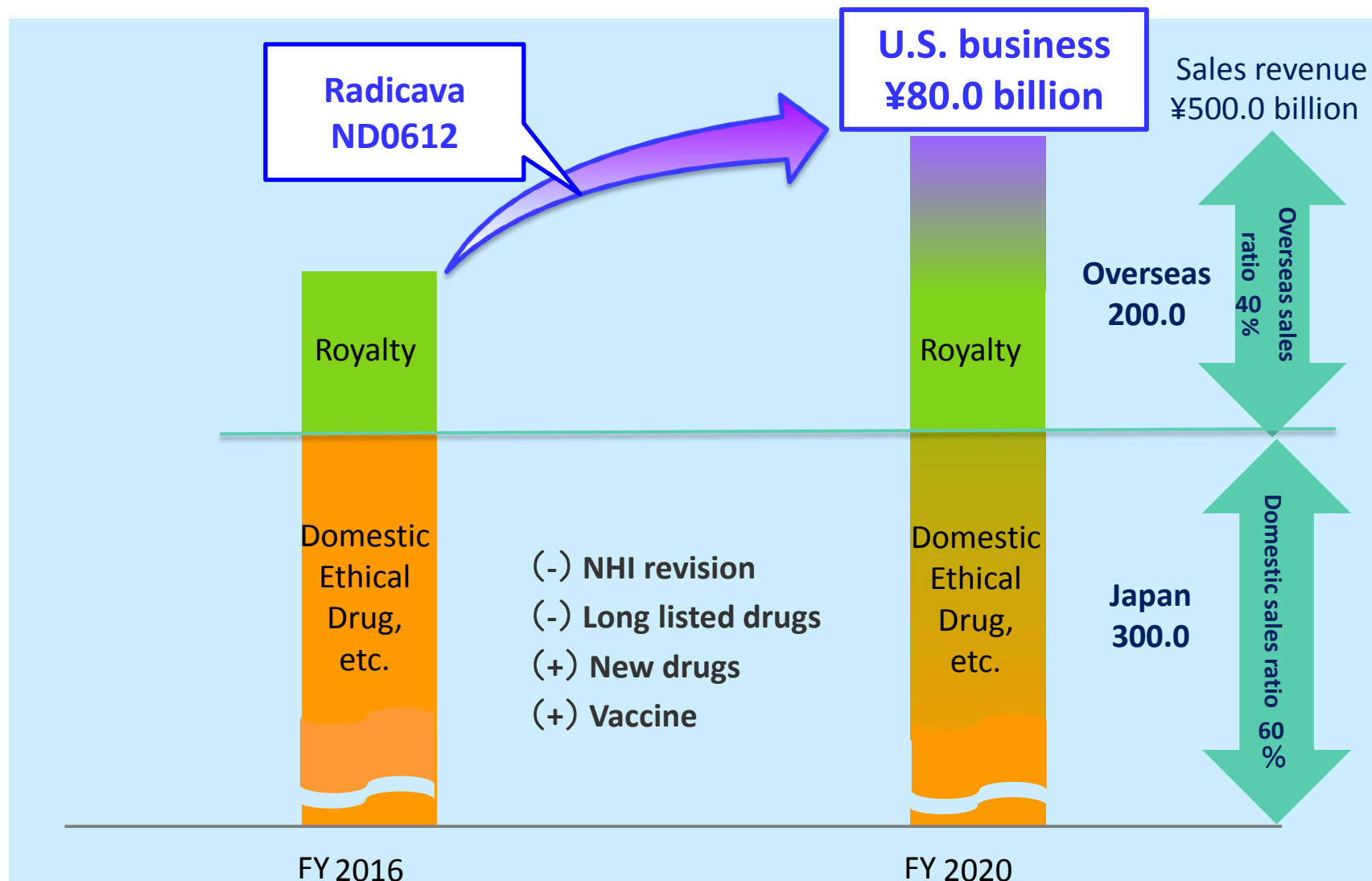


\* PK: Pharmacokinetics

# Rationale of the Transaction



# Medium-Term Management Plan 16-20 Initiatives



## Strategic Rationale of NeuroDerm Acquisition



- ◆ **Expansion of neurology pipeline portfolio following Radicava**
- ◆ **Contribution to FY2020 ¥80 billion U.S. target sales**
- ◆ **Acquisition of global products – U.S., Europe, Japan/Asia**
- ◆ **Develop Designed Pharmaceuticals**

## Development of MTPC's U.S. franchise

### ◆ Leverage Radicava business franchise

|                                    | <b>Radicava</b>                                                   | <b>NeuroDerm products</b>                                                          |
|------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>Specialty</b>                   | <b>Neurology<br/>ALS* specialists</b>                             | <b>Neurology<br/>PD* specialists</b>                                               |
| <b>Sales team</b>                  | <b>About 50 people</b>                                            | <b>About 80 people<br/>(add about 30 people)</b>                                   |
| <b>Treatment</b>                   | <b>amyotrophic lateral sclerosis<br/>(orphan disease)</b>         | <b>Parkinson's disease patients with<br/>moderate to severe</b>                    |
| <b>Drug features</b>               | <b>First drug to slow decline of<br/>physical function of ALS</b> | <b>First drug therapy to stabilize levodopa<br/>plasma concentration(24 hours)</b> |
| <b>Route of<br/>administration</b> | <b>Intravenous injection</b>                                      | <b>Subcutaneous injection</b>                                                      |
| <b>Treatment<br/>location</b>      | <b>Office, Infusion center, Home</b>                              | <b>Home</b>                                                                        |
| <b>Patient support</b>             | <b>Searchlight Support</b>                                        | <b>Provide new support program</b>                                                 |

\*ALS: amyotrophic lateral sclerosis, PD: Parkinson's disease



# Post-Acquisition Strategy in the U.S.

# Expansion of U.S. Pipeline

## ◆ Establishing franchise in specialty area around neurological and autoimmune diseases

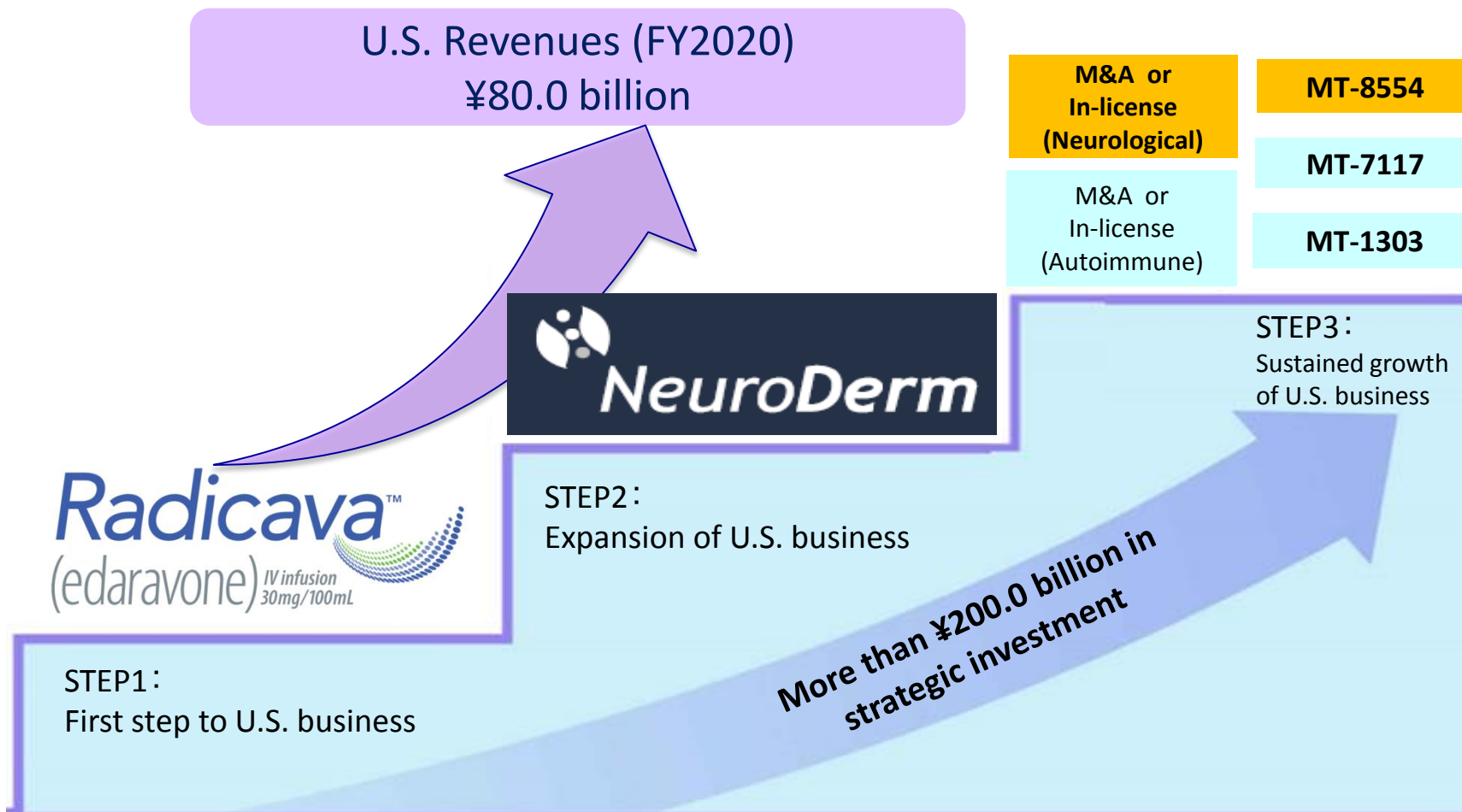
### Approval Targets

|              | FY2017                      | FY2018-2020          | FY2021 and beyond                       |                                                      |
|--------------|-----------------------------|----------------------|-----------------------------------------|------------------------------------------------------|
| Neurological | Launch<br>Radicava<br>(ALS) | P3<br>ND0612<br>(PD) | P2<br>MT-8554<br>(Nervous system, etc.) | Preparing P1<br>(Nerve damage etc.)                  |
|              |                             |                      | P2<br>ND0701<br>(PD)                    | P2<br>ND0801<br>(CNS disease<br>Cognition disorders) |
| Autoimmune   |                             |                      | P2<br>MT-1303<br>(Ulcerative colitis)   | P1<br>MT-2990<br>(Autoimmune diseases, etc.)         |
|              |                             |                      |                                         | P1<br>MT-7117<br>(Dermatologicals, etc.)             |



## Sustained Growth of the U.S. Business

- ◆ After achieving FY2020 U.S. sales of ¥80.0 billion continue to grow as MTPC's second largest business franchise



# Transaction Schedule and Outlook

## ◆ Transaction Schedule

|                       |                                                                                    |
|-----------------------|------------------------------------------------------------------------------------|
| July 2017             | MTPC established a local SPC for acquisition in Israel                             |
| July 24, 2017         | Definitive Agreement between NeuroDerm, MTPC and MTPC's SPC                        |
| September 2017 (Plan) | NeuroDerm shareholders' meeting. Approval by NeuroDerm's shareholders              |
| October 2017 (Plan)   | SPC to merge with NeuroDerm after which NeuroDerm will become the surviving entity |
| October 2017 (Plan)   | NeuroDerm to become a wholly owned subsidiary of MTPC upon merger                  |

## ◆ Outlook

MTPC is currently examining the potential impact of the acquisition on MTPC's consolidated business results. Additional guidance will be presented after the acquisition procedures have been completed.

## Open Up the Future

- New chemical entity discovery research
- Global business foundation
- Solid financial base
- Company lasting more than 300 years

Mitsubishi  
Tanabe  
Pharma



Development of new  
treatments

ND-0612  
ND-0701  
ND-0801  
⋮



- Ideas generation to solve clinical problems
- Formulations research and device development capability
- Efficient R&D execution utilizing third-party resources
- Entrepreneurship

NeuroDerm



# *Open Up the Future*

Becoming a company that works with a sense  
of speed and is the first to deliver differentiated value



Mitsubishi Tanabe Pharma

## Cautionary Statement

The statements contained in this presentation is based on a number of assumptions and belief in light of the information currently available to management of the company and is subject to significant risks and uncertainties.