

May 9, 2017

Press Release

The Research Foundation for Microbial Diseases of Osaka University
Mitsubishi Tanabe Pharma Corporation

Establishment of Vaccine Manufacturing Joint Venture: BIKEN CO.,Ltd.

The Research Foundation for Microbial Diseases of Osaka University (hereinafter, “BIKEN Foundation”) and Mitsubishi Tanabe Pharma Corporation (hereinafter, “Mitsubishi Tanabe Pharma”) on May 1 reached final agreement on the establishment of the joint venture BIKEN CO.,Ltd., based on the BIKEN Foundation’s vaccine manufacturing business.

In accordance with the agreement, BIKEN CO.,Ltd. was established on May 9, 2017 as a company wholly owned by the BIKEN Foundation. The BIKEN Foundation intends to sell 33.4% of BIKEN CO.,Ltd.’s stock to Mitsubishi Tanabe Pharma on September 1, 2017 in order to initiate operation of this joint venture between the two organizations.

1. Objectives of Establishing a Joint Venture

As per the previous announcement, titled “Basic Agreement on the Establishment of a Joint Venture” (November 7, 2016), the BIKEN Foundation and Mitsubishi Tanabe Pharma came to a basic agreement on the establishment of a joint venture in order to further increase their vaccine supply, and they have been in discussion on how to attain that objective. Mitsubishi Tanabe Pharma has cooperated with the BIKEN Foundation, which is the largest supplier of vaccines to the Japanese market, for over 50 years as a distributor of BIKEN Foundation-manufactured vaccines.

The new joint venture company, BIKEN CO.,Ltd., will integrate Mitsubishi Tanabe Pharma’s pharmaceutical production systems, management methods, and other strengths with the BIKEN Foundation’s vaccine manufacturing technologies in order to accelerate enhancement of production foundations with a view to contributing to even more steady supply of vaccines.

Koji Taku, President of BIKEN CO.,Ltd., commented: “BIKEN CO.,Ltd. is expected to further accelerate the ongoing initiative to reinforce its production foundations with cooperation from Mitsubishi Tanabe Pharma. BIKEN CO.,Ltd. and the BIKEN Foundation will combine their respective strengths as a vaccine specialist group called the BIKEN Group and will work to foster improved public health, both within Japan and worldwide.”

2. About BIKEN CO.,Ltd.

- (1) Name: BIKEN CO.,Ltd.
- (2) Location: 4-1-70, Seto-cho, Kanonji City, Kagawa Prefecture, 768-0065, Japan
- (3) Business activities: Manufacture and supply of vaccines and other biological products

- (4) Start of operations: September 1, 2017 (plan)
- (5) Capital: JPY100 million
- (6) Ownership: BIKEN Foundation: 66.6%, Mitsubishi Tanabe Pharma: 33.4% (from September 1, 2017)
- (7) Representative: Koji Taku, President
- (8) Number of employees: Mainly, employees of the production department (approx. 580) will be loaned from the BIKEN Foundation.
Mitsubishi Tanabe Pharma will loan the employees required to run the business operations of the joint venture.

3. Parties to the Final Agreement

(1) The Research Foundation for Microbial Diseases of Osaka University

Name	The Research Foundation for Microbial Diseases of Osaka University
Location	Osaka University, 3-1, Yamadaoka, Suita City, Osaka Prefecture, 565-0871, Japan
Representative	Koichi Yamanishi, Director General
Business activities	Research on microbial diseases, manufacture and sale of vaccines and other biological products, aid to academic research, and clinical test services
Basic fund	JPY500.05 million
Date of establishment	June 6, 1934
Number of employees	861 (as of April 1, 2017)
Net sales	JPY41.2 billion (FY2016)

(2) Mitsubishi Tanabe Pharma Corporation

Company name	Mitsubishi Tanabe Pharma Corporation
Headquarters	3-2-10, Dosho-machi, Chuo-ku, Osaka City, Osaka Prefecture, 541-8505, Japan
Representative	Masayuki Mitsuka, President & Representative Director
Business activities	Manufacture and sale of pharmaceuticals, centered on ethical drugs
Capital	JPY50.0 billion
Date of incorporation	December 15, 1933
Number of employees	7,280 (as of March 31, 2017)
Net sales	JPY425.7 billion (FY2015)

4. Effects on Mitsubishi Tanabe Pharma's Performance

We will announce any effects that the establishment of this joint venture might have on Mitsubishi Tanabe Pharma's performance, going forward.

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