

January 26, 2021

**Mitsubishi Tanabe Pharma and Pharma Foods
International Enter into an Exclusive Licensing
Agreement for a New Therapeutic Antibody
to treat Autoimmune Diseases**

Mitsubishi Tanabe Pharma Corporation (Head Office: Osaka; President & Representative Director, CEO: Hiroaki Ueno, "MTPC") and Pharma Foods International Co. Ltd. (Head Office: Kyoto; President & Representative Director, CEO: Mujo Kim, "PFI") announced that we have entered into an exclusive worldwide development and commercialization licensing agreement for a development candidate antibody that we have been collaborating in autoimmune diseases on January 26, 2021.

Under the terms of this licensing agreement, MTPC will pay to PFI ¥ 320 million as an upfront payment. In addition, we will pay development milestones depending on the stage of development, as well as royalties and sales milestones based on worldwide sales after launch.

PFI has been successful in producing innovative lead antibodies for drug discovery targets to treat autoimmune diseases, for which antibody production is difficult with conventional technology, by utilizing its propriety antibody production technology "ALAgene[®] technology¹". MTPC and PFI executed a research collaboration agreement in October 2018, with the aim of obtaining therapeutic antibody for treatment of the autoimmune diseases. This collaborative research successfully identified a development candidate antibody by improving the lead antibodies utilizing MTPC's specific technology for enhancing antibody affinity, followed by evaluation with various animal studies. Based on this result, MTPC and PFI have decided to conclude the worldwide exclusive licensing agreement to forward the antibody drug to further development stage.

With the conclusion of this agreement, MTPC will have exclusive rights to manufacture, develop and sell the development candidate antibody worldwide.

Management comments

Dr. Hiroaki Ueno, President & Representative Director, CEO,
Mitsubishi Tanabe Pharma Corporation

"I have strong confidence in the outcome of the research collaboration with PFI. This antibody project is positioned as prioritized product in the area of autoimmune and inflammation diseases, which is one of our company's priority disease areas and we are eager to offer this innovative therapeutic antibody to the

patients as soon as possible.”

Dr. Mujo Kim, President & Representative Director, CEO,
Pharma Foods International Co., Ltd.

“I am delighted to enter into this licensing agreement with the best partner, MTPC which is a leading company in autoimmune disease therapeutic area. This meaningful track record prompts us to move forward to therapeutic antibody business authentically with our propriety ALAgene[®] technology. For that purpose, we make every effort to promote our drug discovery research at our Drug Discovery Center.”

MTPC has been focusing on Immuno-inflammation as a priority disease area, and made significant efforts to contribute to the treatment for patients who are suffering from autoimmune intractable diseases as the No.1 antibody sales company in the Japanese market. We will continue challenging to contribute to the patients’ health around the world through creating innovative antibody drugs that address unmet medical needs.

1 ALAgene[®] Technology was developed by PFI based on the chicken monoclonal antibody production technology. It is possible to produce chicken-derived humanized antibodies with clinically applicable properties for drug discovery targets, for which antibody production is difficult with conventional technology. PFI has conducted joint research with Professor Mamoru Sato and Visiting Professor Michiyuki Yamada of Yokohama City University, and Associate Professor Satoshi Kanazawa of Nagoya City University.

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