

November 7, 2016

Press Release

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

Basic Agreement on the Establishment of a Joint Venture

The Research Foundation for Microbial Diseases of Osaka University ("BIKEN Foundation") and Mitsubishi Tanabe Pharma Corporation ("Mitsubishi Tanabe Pharma") have reached a basic agreement to establish the joint venture "BIKEN Corporation" on the basis of BIKEN Foundation's vaccine manufacturing business.

1. Reasons for Establishing a Joint Venture

The BIKEN Foundation is a specialized manufacturer that has engaged in vaccine manufacture and sale for over 80 years. Under its founding mission to "protecting precious lives around the world through excellent vaccines," the BIKEN Foundation has devoted itself to research and development of a wide range of vaccines for preventing infectious diseases and has produced many of Japan's first vaccines. Currently, the BIKEN Foundation supplies the largest amount of vaccines to the Japanese market. However, in recent years, due to the outbreak of various infectious diseases, supply statuses of vaccines, and other circumstances, the Foundation is expected to further increase its vaccine supply.

Meanwhile, Mitsubishi Tanabe Pharma has cooperated with BIKEN Foundation for over 50 years as a distributor of BIKEN Foundation-manufactured vaccines. In the years to come, Mitsubishi Tanabe Pharma will establish BIKEN Corporation and help enhance its production system, thereby ensuring a consistent supply of competitive and high-quality vaccines in both Japanese and overseas markets.

The joint venture that the BIKEN Foundation and Mitsubishi Tanabe Pharma plan to establish will combine Mitsubishi Tanabe Pharma's pharmaceutical production systems, management methods, and other strengths with the BIKEN Foundation's vaccine manufacturing technologies, thereby accelerating enhancement of BIKEN's manufacturing base. By doing so, the joint venture is hoped to contribute to an even more steady supply of vaccines.

BIKEN Corporation and the BIKEN Foundation will combine their strengths as a vaccine specialist group called the "BIKEN Group" and work for better public health both in Japan and the entire world.

2. Outline of the Joint Venture

The BIKEN Foundation and Mitsubishi Tanabe Pharma have agreed on the following matters. The parties will also decide on other specific matters through discussions.

- (1) Name: BIKEN Corporation
- (2) Location: Kanonji City, Kagawa Prefecture, Japan
- (3) Business: Vaccine manufacture
- (4) Start date of operation: Scheduled on September 1, 2017
- (5) Capital: To be decided
- (6) Capital contribution ratios: BIKEN Foundation 66.6%
Mitsubishi Tanabe Pharma 33.4%
- (7) Representative: To be decided (To be sent from BIKEN Foundation)
- (8) Officers: Directors (four from BIKEN Foundation, and two from Mitsubishi Tanabe Pharma)
Corporate auditors (one full-time auditor from BIKEN Foundation, and one part-time auditor from Mitsubishi Tanabe Pharma)
- (9) Employees: Approximately 500 production operators, to be loaned mainly from BIKEN Foundation
Employees engaged in joint-venture business, to be loaned from Mitsubishi Tanabe Pharma

3. Parties to the Basic 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 565-0871, Japan
Representative	Koichi Yamanishi, Director General
Business activities	Research on microbial diseases, manufacture and sale of vaccines, etc., aid to academic research, clinical trials
Basic fund	JPY 500,050,000
Date of foundation	June 6, 1934
Number of employees	823 (end of September 2016)
Sales	JPY 36.3 billion (FY2015)

(2) Mitsubishi Tanabe Pharma Corporation

Name	Mitsubishi Tanabe Pharma Corporation
Location	3-2-10 Doshomachi, Chuo-ku, Osaka city 541-8505, Japan
Representative	Masayuki Mitsuka, President & Representative Director
Business activities	Manufacture and sale of pharmaceuticals, centered on ethical drugs
Capital	JPY 50 billion
Date founded	December 15, 1933
Number of employees	7,373 (end of September 2016)
Sales	JPY 431,7 billion (FY2015)

4. Plan for the Immediate Future

The parties will continue studies and discussions on further details of the joint venture in order to reach a final agreement by the end of April 2017.

5. Effects on Mitsubishi Tanabe Pharma's Performance

We will inform you of any potential effects on Mitsubishi Tanabe Pharma's future performance.

For further details, contact:

Public Relations Section,

Tel: +81-6-6877-4802

The Research Foundation for Microbial

Diseases of Osaka University

Corporate Communications Dept.,

Tel: +81-6-6205-5211

Mitsubishi Tanabe Pharma Corporation