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Biogen and Mitsubishi Tanabe Pharma Terminate the License Agreement on MT-1303

Osaka, Japan, January 27, 2017 - Mitsubishi Tanabe Pharma Corporation (President & Representative Director, CEO: Masayuki Mitsuka, hereinafter, the Company) announced that Biogen Inc.(headquarters: Massachusetts, U.S., CEO: Michel Vounatsos, hereinafter, Biogen) and the Company reached to termination of the license agreement on MT-1303, a therapeutic agent for autoimmune diseases, discovered and developed by the Company.

The Company has been conducting clinical trials for MT-1303 for multiple sclerosis, psoriasis, Crohn's disease and systemic lupus erythematosus and, in order to accelerate development of this drug and to launch the drug as soon as possible and to maximize its product value, it concluded the license agreement with Biogen, a company with an experience in this field, in September 2015. In accordance with this agreement, the Company granted Biogen the exclusive right to develop and market this drug globally, except in Japan and Asia. The Company had a right to participate in Biogen's global clinical trials as well as a co-promotion right in the U.S. in non-multiple sclerosis indications. Also, the Company received an upfront payment of $60 million (7.2 billion Yen) from Biogen.

In October 2016, Biogen announced to discontinue its development plan for MT-1303 due to its strategic objectives. Responding to that decision, Biogen and the Company started discussion and decided to terminate the agreement. Under this termination, the Company regains all development and marketing rights in the world for all indications of MT-1303 and will record a lump sum revenue, booked as liability of deferred income at the end of December 2016 based on IFRS in the 4th quarter, FY2016.

Mitsubishi Tanabe Pharma Corporation will continue to develope this product by itself or with a new partner.

The impact of this decision to the financial forecast for FY2016 will be disclosed once it is confirmed.

End

Reference

MT-1303(Amiselimod)

A sphingosine-1-phosphate (S1P) receptor functional antagonist and, by inhibiting the receptor function of S1P receptor on the lymphocyte, keeps lymphocytes sequestered in the lymph nodes to prevent them from contributing to autoimmune reactions . Due to this mechanism, this compound may be potentially effective for various autoimmune diseases. The Company is currently conducting clinical trials for MT-1303 for multiple sclerosis, psoriasis, Crohn's disease and systemic lupus erythematosus in Europe and in Japan, and has obtained results suggesting a profile possibly safer than that of the existing S1P receptor functional antagonists.