

October 20, 2021

Mitsubishi Tanabe Pharma Corporation
API Corporation

Transfer of Urso API Manufacturing Business

Mitsubishi Tanabe Pharma Corporation (MTPC, Head Office: Chuo-ku, Osaka ; President & Representative Director: Hiroaki Ueno) and API Corporation (APIC, Head Office: Chiyoda-ku, Tokyo ; President & CEO: Hideki Kitadai) have agreed the transfer of the API manufacturing business of Urso drug product marketed by MTPC to ICE Group Companies (ICE, Head Office: Reggio Emilia, Italy, CEO: Agostino Barazza).

1. Reason for the transfer

MTPC's share of the UDCA market has remained low due to the influence of competitors, and both MTPC and APIC had considered several options to improve the utilization rate of APIC Iwaki Plant (Land, buildings and main manufacturing equipment are MTPC assets and APIC undertakes production) which produces the drug substance Urso. Under these circumstances, MTPC, APIC and long-standing partner ICE have determined that the competitiveness of the Urso business can be best maintained by entrusting operation of the APIC Iwaki Plant, which has been producing high-quality, high-purity ursodeoxycholic acid for many years in a stable manner worldwide, to ICE, a global company engaged across the UDCA value chain from procurement of raw materials to production of ursodeoxycholic acid, the drug substance. ICE will continue to contract manufacture UDCA at this plant for supply to MTPC.

2. Method of the transfer

At the end of November 2021, MTPC is to establish a special purpose company. The plant assets of MTPC and all pharmaceutical manufacturing businesses related to the manufacturing of Urso API, including inventory, liabilities, related agreements including employment agreement and rights obligations of APIC, will be transferred to the Special Purpose Company through a company split, and all shares of the Special Purpose Company held by MTPC will be transferred to ICE on May 2, 2022 (planned).

3. Transfer schedule

October 13, 2021 Final signing of share transfer agreement

End of November 2021 Establishment of a special purpose company

May 2, 2022 Transfer of special purpose company to ICE (planned)

4. Overview of the parties and the Iwaki Plant

- Mitsubishi Tanabe Pharma Corporation

Head Office: 3-2-10, Dosho-machi, Chuo-ku, Osaka 541-8505, Japan

President& Representative Director: UENO Hiroaki

Capital: 50 billion yen

Net sales: 377.8 billion (fiscal year ended March 2021)

Business activities: Manufacture and sales and export/import of pharmaceuticals

Number of employees: 6,728 (Consolidated) (As of March 31, 2021)

- API Corporation

Head Office: 1- 13 -4 Uchikanda, Chiyoda-ku, Tokyo

President and CEO: Hideki Kitadai

Capital: 4 billion yen

Sales: 17.0 billion yen (fiscal year ended March 2021)

Business description: Drug substance, drug intermediate, investigational product contract manufacturing, Marketing of R&D outsourced products

Employees: 449 (As of April 1, 2021)

Production bases: Iwaki Plant, Yoshitomi Office, Kurosaki Plant

- APIC Iwaki Plant

Location: 1 -2 Keisei-saku, Joban Misawa, Iwaki City, Fukushima

Plant Manager: Naruyoshi Uehara

Number of employees: 64 (As of April 1, 2021)

Production results: 62 t (2021 budget)

- ICE Group S.p.A, and other group companies

Head Office: Via Sicilia, 8/10-42122Reggio Emilia-ITALY

CEO: Agostino Barazza

Capital: €120k

Net sales: €250m (As of December, 2020)

Business activities: UDCA manufacturing and sale, bile by-products manufacturing and sale

Mitsubishi Tanabe Pharma Corporation

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