



February 20, 2019

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Mitsubishi Tanabe Pharma Received Notice of Request for Arbitration

Mitsubishi Tanabe Pharma Corporation (hereinafter, "MTPC") today announced that Novartis Pharma AG has filed a Request for Arbitration against MTPC as follows.

1. Circumstances and Arbitration Claim

(1) Circumstances

Yoshitomi Pharmaceutical Industries, Ltd. (hereinafter, "Yoshitomi") signed a licensing agreement with Novartis Pharma AG (hereinafter, "Novartis") in September 1997 (hereinafter, the "Agreement"), and granted Novartis a worldwide development right (in Japan, a co-development right) and marketing rights to FTY720 (generic name: fingolimod hydrochloride), the world's first sphingosine 1-phosphate receptor modulator discovered through joint research with Tetsuro FUJITA, a Professor at Kyoto University, Taito Co., Ltd. (currently, Mitsui Sugar Co., Ltd.) and Yoshitomi. MTPC is a successor to Yoshitomi under the Agreement. On February 15, 2019, the International Chamber of Commerce (hereinafter, "ICC") notified MTPC that Novartis had filed a Request for Arbitration against MTPC, challenging the enforceability of certain provisions under the Agreement.

(2) Arbitration Claim

Novartis requests a declaration that MTPC is not entitled to certain royalties under the Agreement based on product sales in the United States, EU, and certain other countries.

2. Overview of Claimant

- (1) Name of Claimant: Novartis Pharma AG
- (2) Address of Headquarters: Lichtstrasse 35, 4056 Basel, Switzerland
- (3) CEO: Paul Hudson

3. Outlook

MTPC has examined the enforceability of the Agreement and believes that the Novartis royalty payment obligations at issue are enforceable and that Novartis should honor the Agreement. Therefore, MTPC will oppose Novartis' requested relief in the arbitration. The arbitration will be conducted in London, UK, in accordance with the ICC Rules of Arbitration.

MTPC will continue to strive to make appropriate disclosure as to this matter in accordance with the circumstances, and will provide updates on the impact, if any, of the arbitration on its business performance.

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