



News Release

INCJ, Takeda, and MEDIPAL HOLDINGS Partner to Launch a Biotech Venture

- *Enhancing the international competitiveness of the Japanese pharmaceutical companies by offering spin-off model*
- *Takeda will contribute the research and development portfolio and personnel in the renal, metabolic, and cardiovascular therapeutic areas to support the launch of the new company*
- *This venture, a large-scale public-private project incorporating a pharmaceutical company and a major distributor, represents an entirely new drug discovery and open innovation ecosystem*

Tokyo and Osaka, Japan, March 14, 2017 – Innovation Network Corporation of Japan (headquarters: Chiyoda-ku, Tokyo; President and COO: Mikihide Katsumata; "INCJ"), Takeda Pharmaceutical Company Limited (headquarters: Chuo-ku, Osaka; President and CEO: Christophe Weber; "Takeda"), and MEDIPAL HOLDINGS CORPORATION (headquarters: Chuo-ku, Tokyo; President and CEO: Shuichi Watanabe; "MEDIPAL HD") have agreed to jointly invest a total of 10 billion yen to establish a new company, which will be named SCOHIA PHARMA, Inc. ("SCOHIA PHARMA")

Following its launch within Takeda's Shonan Research Center, SCOHIA PHARMA will sign a license agreement with Takeda for eight of Takeda's renal, metabolic and cardiovascular research and development projects,* with the goal of initiating operations on April 1, 2017. Takeda researchers with a high level of expertise in and knowledge of these therapeutic areas will be involved in SCOHIA PHARMA's activities. SCOHIA PHARMA, as a biotech venture that will have both substantial research and development resources and be nimble enough to make decisions quickly, will strive to improve patient quality of life by providing patients and healthcare professionals with new therapeutic medications for renal, metabolic, and cardiovascular diseases.

Mikihide Katsumata, President and COO at INCJ, said "When US and European pharmaceutical companies execute an essential strategic shift, spin-off biotech ventures are formed on a constant basis, which consequently provides greater flexibility in corporate resources including product development, drug discovery and human resources. SCOHIA PHARMA will be born as a remarkably large-scale biotechventure with proven development pipelines, and I anticipate that its success will contribute not only to the delivery of new therapeutic medications but also to the establishment of an entire new ecosystem in the Japanese pharmaceutical industry and biotech field."

Andy Plump, M.D., Ph.D., Director, Chief Medical and Scientific Officer at Takeda, said "Takeda has been transforming its research and development organization in order to deliver innovative new medicines for patients. The establishment of SCOHIA PHARMA represents not only a business model that will allow a high level of expertise to be brought to bear over an extended period of time in the renal, metabolic, and

cardiovascular therapeutic areas, but is also an early step in the creation of a research park that will allow Takeda's Shonan Research Center to gather a wide variety of healthcare knowledge in one location. I believe that as a drug discovery venture company with its origin in Japan, SCOHIA PHARMA will be able to deliver new value to patients."

MEDIPAL HD Managing Director Toshihide Yoda said that "MEDIPAL, which plays a core role in the domestic distribution activities of Takeda, will through its investment in SCOHIA PHARMA contribute to society by providing added value to the supply chain from the drug discovery stage through the distribution stage, thereby guaranteeing 'the stable supply of pharmaceuticals.'"

Yoichi Okumura, who has been appointed as the CEO of SCOHIA PHARMA, said that "SCOHIA PHARMA will allow world-class scientists to realize their full potential, and the creative forces that will be generated as a result will ensure that suffering patients will have access to new treatment options. SCOHIA PHARMA will show a new business model to the Japanese business industry how large domestic pharmaceutical companies successfully spin off a venture company."

*** Eight research and development projects**

Code	Expected Indication(s)	Stage of Development
TAK-272	Early stage diabetic nephropathy/hypertension	Phase 2
TAK-792	Obesity	Phase 1
TAK-094	Diabetes	Preclinical
And 5 other products that are in the preclinical or drug discovery stage		

Overview of SCOHIA PHARMA

1. Name	SCOHIA PHARMA, Inc.	
2. Address	26-1, Muraoka-Higashi 2-chome, Fujisawa, Kanagawa (Within Takeda's Shonan Research Center)	
3. Representative director	CEO: Yoichi Okumura	
4. Business	Drug product research, development, manufacturing, and marketing	
5. Capitalization	5 billion yen	
6. Major shareholders and ownership stakes	INCJ	70.5%
	Takeda	19.5%
	MEDIPAL HD	10.0%

About Innovation Network Corporation of Japan (INCJ)

INCJ was established in July 2009 as a public-private investment company that provides financial, technological and management support for next-generation businesses. INCJ specifically supports those projects that combine technologies and varied expertise across industries and materialize open innovation.

INCJ has the capacity to invest up to JPY2 trillion (approx. US\$20 billion).

INCJ's management team is drawn from the private sector with diverse experience in investment, technologies and management. Through its Innovation Network Committee, INCJ assesses investment opportunities that contribute to industrial innovation in Japan in line with criteria set by the government.

<http://www.incj.co.jp/english/>

About Takeda Pharmaceutical Company

Takeda Pharmaceutical Company Limited is a global, research and development-driven pharmaceutical company committed to bringing better health and a brighter future to patients by translating science into life-changing medicines. Takeda focuses its R&D efforts on oncology, gastroenterology and central nervous system therapeutic areas plus vaccines. Takeda conducts R&D both internally and with partners to stay at the leading edge of innovation. New innovative products, especially in oncology and gastroenterology, as well as our presence in Emerging Markets, fuel the growth of Takeda. More than 30,000 Takeda employees are committed to improving quality of life for patients, working with our partners in health care in more than 70 countries. For more information, visit <http://takeda.com/>

About MEDIPAL HOLDINGS CORPORATION

Established: May 1923

Business: As a holding company, MEDIPAL HOLDINGS controls, administers and supports the operating activities of companies in which it holds shares in the Prescription Pharmaceutical Wholesale Business; the Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business; and the Animal Health Products and Food Processing Raw Materials Wholesale Business, and conducts business development for the MEDIPAL Group.

Management Philosophy : Contributing to people's health and advancement of society through creation of value in distribution.

URL: <https://www.medipal.co.jp/english/>

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For MEDIPAL HOLDINGS CORPORATION:

Corporate Communications Department

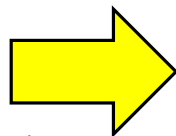
Tel: +81-3-3517-5171

Target: SCOHIA PHARMA, Inc.

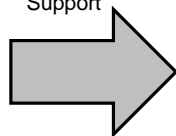
Business Outline: Research and development for renal, metabolic and cardiovascular related medicines

Total Investment: 10 billion JPY (INCJ 70.5%, Takeda 19.5%, MEDIPAL HD 10.0%)

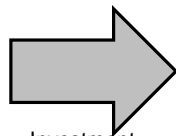
Date of Announcement: March 14, 2017



- Investment
- Dispatch of External Directors
- Management Support



- Investment
- Licensing of R&D products

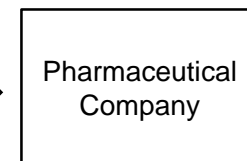
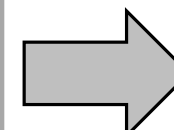


- Investment
- Domestic commercialization support

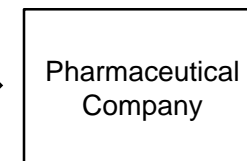
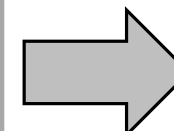
SCOHIA PHARMA, Inc.

Promote R&D for new medicines related to renal, metabolic and cardiovascular therapeutic areas

R&D Portfolio	Development Stage		
	Phase1	Phase2	Phase3
Early stage diabetic nephropathy/hypertension	▶		
Obesity	▶		
Diabetes	▶		
5 other products that are in the preclinical or drug discovery stage			



Licensing of R&D products



• Contribution to the development of a bio-venture ecosystem through creation of a large-scale Biotech

• Promotion of domestic pharmaceutical companies' business portfolio conversion and opportunities to enhance international competitiveness

• Realize drug-discovery technology and development products hidden inside pharmaceutical companies as a strategy conversion and promote open innovation through strengthening external cooperation