

June 8, 2016

Company: Mitsubishi Gas Chemical Co., Inc.

Representative: Toshikiyo Kurai, President

Company: Nippon Kayaku Co., Ltd.

Representative: Masanobu Suzuki, President

Announcement: Establishment of Joint Venture Company for MAB Production

Tokyo, Japan (June 8, 2016) - Mitsubishi Gas Chemical Co., Inc. (headquartered in Chiyoda-ku, Tokyo, hereafter “MGC”) and Nippon Kayaku Co., Ltd. (headquartered in Chiyoda-ku, Tokyo, hereafter “NK”) announced, that MGC and NK newly established Joint Venture Company for production of monoclonal antibody pharmaceuticals (MABs) including biosimilars.

The Company is aiming at starting operation of manufacturing facility by state-of-art technology within 2 years.

< Company Outline >

Name	:	Cultivecs Inc.
Establishment	:	June 7, 2016
Headquarters	:	Chiyoda-ku, Tokyo, Japan (at MGC headquarters)
Plant	:	Niigata, Japan (at MGC plant)
Capital	:	50,000,000 yen (at establishment)
Shareholders	:	MGC 55% / NK 45%
Business	:	Partnering and Contract Manufacturing of MABs and Biosimilars
Representative	:	Masashi Fujii, President

<Background>

Now the growth of biologics, particularly monoclonal antibodies, is very prominent in domestic and global pharmaceutical markets. MABs have been more and more used as more effective and safer than traditional chemical drugs in many cases, whereas these are so expensive due to high cost for production and development that patients and social insurance bear heavy burden.

In addition, Japan is highly dependent on import of biologics, which is estimated to exceed 5 billion US dollars every year. “Made-in-Japan biologics” of high quality with stable supply security system are highly required.

In recent years, a number of follow-on products of off-patent biologics (“biosimilars”) are being developed mainly in Europe and the US, and some of them have been already authorized for marketing. These biosimilars are expected to prevail more as the prices are lower as well as generics. MGC and NK established Joint Venture Company to combine experience and knowledge of both companies and to deploy it from local production of MABs including biosimilars to partnering and contract business, expecting that we can strengthen capability of local production, upgrade skills, and contribute to prevalence of biosimilars.

<References>

MGC established fundamental technology of manufacturing MABs, on the basis of long time experiences of cell cultivation and MAB technology transfer from GlycoNex Inc. (Taiwan). To expand business, MGC Pharma was started in 2014 to undertake manufacturing process development of MABs. MGC is exploring high-value products as represented by MABs.

NK started development of Infliximab BS 「NK」, which was in-licensed from Celltrion (Korea) and the first MAB biosimilar in Japan, and has been marketing it since November 2014. Subsequently NK is developing Trastuzumab biosimilar in Japan onward together with Celltrion from 2015. NK remains to make contribution to the society through supply security of high quality pharmaceuticals and economization of medical expenditures.

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