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To whom it may concern

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Notice Regarding Execution of Asset Transfer Agreement for Transfer of Japan Sales, Intellectual Properties, and Manufacturing and Marketing Approval of Type 2 Diabetes Treatments (Nesina<sup>®</sup>, Liovel<sup>®</sup>, Inisync<sup>®</sup>, and Zafatek<sup>®</sup>)

Teijin Limited ("Teijin") announces that it has decided that Teijin and its subsidiary Teijin Pharma Limited (Head Office: Chiyoda-ku, Tokyo; President and Representative Director: Ichiro Watanabe; hereinafter "Teijin Pharma") has entered into an asset transfer agreement ("Asset Transfer Agreement") with Takeda Pharmaceutical Company Limited (Head Office: Chuo-ku, Osaka; President & CEO: Christophe Weber; hereinafter "Takeda") to transfer the Japan sales of type 2 diabetes treatments manufactured and sold by Takeda in Japan, namely Nesina<sup>®</sup> tablets 6.25 mg, 12.5 mg, 25 mg (Generic name: alogliptin benzoate), Liovel<sup>®</sup> combination tablets HD, Liovel<sup>®</sup> combination tablets LD (Generic name: alogliptin benzoate/ pioglitazone hydrochloride), Inisync<sup>®</sup> combination tablets (Generic name: alogliptin benzoate/metformin hydrochloride), and Zafatek<sup>®</sup> tablets 25 mg, 50 mg, 100 mg (Generic name: trelagliptin succinate) (collectively the "Products"), to Teijin Pharma and to transfer relevant intellectual properties (including patents) and manufacturing and marketing approvals to Teijin Pharma.

As of April 1, 2021, prior to the transfer of the manufacturing and marketing approvals, the sale of the Products will be transferred to Teijin Pharma after the procedures stipulated in the Asset Transfer Agreement are completed, and thereafter Teijin Pharma will be selling the Products and providing and collecting relevant information. Once all necessary procedures with the Ministry of Health, Labour and Welfare are completed, Teijin Pharma will take over the manufacturing and marketing approvals.

1. Reasons for Transfer of Sales and Manufacturing and Marketing Approvals

Based on its corporate philosophy of "Enhancing the Quality of Life," Teijin is working towards the realization of a sustainable society by delivering value to the society through solutions in the three fields of "Environmental Value," "Safety, Security, and Disaster Mitigation," and "Demographic Change and Increased Health Consciousness," with the aim of becoming a "Company that Supports the Society of the Future." On February 5, 2020, Teijin announced its Medium-Term Management Plan for 2020-2022 "ALWAYS EVOLVING" ("Medium-Term Management Plan") and positioned the period of the Medium-Term Management Plan as a period of "Creating Growth Platforms." Under the Medium-Term Management Plan, Teijin is making aggressive investments in businesses that need to be developed to become future sources of earnings, which are classified as "Strategic Focus," as well as in businesses that are already profitable and aiming for further growth, which are classified as "Profitable Growth."

Teijin Group's healthcare business is working to provide "Demographic Change and Increased Health Consciousness Solutions" in Japan, which is one of the most aged society in the world. Teijin Group is committed to maintaining and strengthening the R&D and marketing platforms and the service network for healthcare professionals and patients established through its pharmaceuticals and home healthcare businesses, which are positioned as "Profitable Growth." At the same time, it is aiming to become a comprehensive community-based healthcare provider in sectors including rehabilitation, nursing care, prevention and health promotion, which is positioned as "Strategic Focus," through such initiatives as deploying *VitalLink*, a support tool for providing a comprehensive community healthcare

system, and expanding the operation of visiting nursing stations. In the area of prevention and health promotion, Teijin Group has started the functional food business and providing services not covered by Japan's health insurance system, such as lifestyle modification guidance service using applications and monitoring devices. Teijin Group is also working on accelerating the creation of innovative medical treatment and creating new businesses by integrating Teijin's healthcare, materials, and engineering technology platforms.

The Products consist of dipeptidyl peptidase-4 (DPP-4) inhibitors and its combination tablets, which reduce blood glucose levels. They are orally taken drugs developed by Takeda and are used for treatment of many type 2 diabetes patients in Japan and overseas. On the other hand, Teijin Group has been working to improve the QOL of patients with lifestyle-related diseases by providing FEBURIC®, a hyperuricemia and gout treatment, and CPAP therapy device for the treatment of sleep apnea syndrome. As cardiovascular and metabolic field is one of Teijin Pharma's focus areas, being able to take over the Products that have strong brand power will lead to maintaining and strengthening its business platform for future business expansion. Further, the addition of these type 2 diabetes treatments to Teijin Group's key offerings and the strengthening of business platform will accelerate its efforts in disease treatment, as well as the expansion of services that contribute to the prevention of lifestyle-related diseases and the reduction in progression of such diseases, which are part of the "Strategic Focus" of Teijin Group.

Based on the above, Teijin Group has decided to take over the manufacturing and marketing approvals of the Products in Japan to aim for further growth of its healthcare business by creating synergies and strengthening the business platform with expanded product portfolio by acquiring the Products.

To ensure stable delivery of the Products to patients, Teijin Group will work closely with Takeda for a smooth and efficient transfer of the sales and manufacturing and marketing approvals of the Products.

## 2. Overview of Transfer of Sales of Products and Manufacturing and Marketing Approvals

### (1) Products

Brand name	Therapeutic category
Nesina® tablets 6.25 mg Nesina® tablets 12.5 mg Nesina® tablets 25 mg	Selective DPP-4 inhibitor Drugs for treating type 2 diabetes
Liovel® combination tablets HD Liovel® combination tablets LD	Fixed dose combination tablets of selective DPP-4 inhibitor and thiazolidinediones Drugs for treating type 2 diabetes
Inisync® combination tablets	Fixed dose combination tablets of selective DPP-4 inhibitor and biguanides Drugs for treating type 2 diabetes
Zafatek® tablets 25 mg Zafatek® tablets 50 mg Zafatek® tablets 100 mg	Long-acting selective DPP-4 inhibitor Drugs for treating type 2 diabetes

### (2) Operating results of Products

Total sales of the Products in Japan for the fiscal year ended March 2020 were approximately 30.8 billion yen.

### (3) Items of assets concerning Products

Items of assets will include inventory assets concerning the Products and intangible fixed assets such as transfer of Japan sales, intellectual properties (including patents), and manufacturing and marketing approvals.

(4) Transfer price of Products

The transfer price of the Products is expected to be 133 billion yen, including inventory assets, which will be adjusted to reflect the amount of inventory assets at the time of transfer.

3. Outline of Transferee of Sales of Products and Manufacturing and Marketing Approvals

(1) Name	Teijin Pharma Limited		
(2) Location	Kasumigaseki Common Gate West Tower 2-1, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo		
(3) Name and title of representative	Ichiro Watanabe, President		
(4) Business description	Sales, marketing, manufacturing and research and development of pharmaceuticals and medical devices		
(5) Paid-in capital	10 billion yen		
(6) Date of incorporation	April 15, 2002		
(7) Major shareholder and shareholding ratio	Teijin Limited	100%	
(8) Relationship between Teijin and Teijin Pharma	Capital relationship	Teijin owns 100% of shares in Teijin Pharma.	
	Personnel relationship	Three employees of Teijin concurrently serve as President, Director, and Statutory Auditor of Teijin Pharma and there are other employees of Teijin who are seconded to Teijin Pharma.	
	Transactional relationship	Teijin has business transactions with Teijin Pharma, including intellectual property agreements and loans.	
	Status as a related party	Teijin Pharma is a consolidated subsidiary of Teijin.	
(9) Operating and financial results for the past three years (standalone basis)			
Fiscal year ended	March 31, 2018	March 31, 2019	March 31, 2020
Net assets	42,991 million yen	50,255 million yen	52,507 million yen
Total assets	112,117 million yen	111,734 million yen	102,364 million yen
Net sales	125,410 million yen	124,196 million yen	119,366 million yen
Operating income	13,037 million yen	14,324 million yen	16,511 million yen
Ordinary income	13,559 million yen	14,600 million yen	17,135 million yen
Net income	10,268 million yen	14,199 million yen	12,477 million yen

4. Outline of Transferor

(1) Name	Takeda Pharmaceutical Company Limited		
(2) Location	1-1, Doshomachi 4-chome, Chuo-ku, Osaka		
(3) Name and title of representative	Christophe Weber, President & CEO		
(4) Business description	Research and development, manufacturing, sales and marketing, and import/export of pharmaceutical drugs, etc.		
(5) Paid-in capital (as of Sep. 30, 2020)	1,668.1 billion yen		
(6) Date of incorporation	January 12, 1925		
	The Master Trust Bank of Japan, Ltd. (Trust Account)	9.02%	

(7) Major shareholders and shareholding ratio (as of Sep. 30, 2020)	Custody Bank of Japan, Ltd. (Trust Account)		5.53%
	The Bank of New York Mellon as Depository Bank for Depository Receipt Holders (Standing Proxy: Sumitomo Mitsui Banking Corporation)		4.94%
	Nippon Life Insurance Company (Standing Proxy: The Master Trust Bank of Japan, Ltd.)		2.24%
	JP Morgan Chase Bank 385632 (Standing Proxy: Mizuho Bank, Ltd.)		2.24%
	Custody Bank of Japan, Ltd. (Trust Account 5)		2.20%
	SSBTC Client Omnibus Account (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)		1.59%
	JP Morgan Chase Bank 385781 (Standing Proxy: Mizuho Bank, Ltd.)		1.54%
	State Street Bank West Client-Treaty 505234 (Standing Proxy: Mizuho Bank, Ltd.)		1.52%
	State Street Bank and Trust Company 505001 (Standing Proxy: Mizuho Bank, Ltd.)		1.30%
(8) Relationship between Teijin and Takeda	Capital relationship	N/A	
	Personnel relationship	N/A	
	Transactional relationship	Teijin Pharma, Teijin's consolidated subsidiary, has a contract with Takeda Pharmaceuticals U.S.A., Inc., a consolidated subsidiary of Takeda, for the US sales of ULORIC®, a treatment for gout and hyperuricemia. Teijin Pharma also had business transactions with Takeda concerning raw materials for pharmaceuticals.	
	Status as a related party	N/A	
(9) Operating and financial results for the past three years			
Fiscal year ended	March 31, 2018	March 31, 2019	March 31, 2020
Total equity	2,017,409 million yen	5,185,991 million yen	4,727,486 million yen
Total assets	4,106,463 million yen	13,792,773 million yen	12,821,094 million yen
Revenue	1,770,531 million yen	2,097,224 million yen	3,291,188 million yen
Operating profit	241,789 million yen	237,685 million yen	100,408 million yen
Net profit for the year	186,708 million yen	135,080 million yen	44,290 million yen

#### 5. Timeline

Board resolution	February 26, 2021 (today)
Execution of Asset Transfer Agreement	February 26, 2021 (today)
Transfer of sales of Products	April 1, 2021 (scheduled)
Transfer of manufacturing and marketing approvals	Scheduled after necessary procedures with the Ministry of Health, Labour and Welfare are completed

#### 6. Future Outlook

Since the date of the transfer of sales of the Products is scheduled for the next consolidated fiscal year, there will be no impact on Teijin's consolidated operating results for the fiscal year ending March 31, 2021. The impact of this transaction will be reflected in the operating results of the next fiscal year.