

# ***NEWS RELEASE***

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**Takara Bio has entered into a license agreement with Tasly Biopharmaceuticals  
for exclusive development, manufacturing and commercialization of  
Oncolytic Virus C-REV in China**

Kusatsu/Shiga Japan – May 11, 2020 – Takara Bio Inc. (Takara Bio), announced today that it has entered into a license agreement with Tasly Biopharmaceuticals. Co. Ltd. (headquarters in Shanghai, People's Republic of China; hereafter, Tasly) for exclusive development, manufacturing and commercialization of oncolytic viral immunotherapy agent C-REV (canerpaturev) in the People's Republic of China (including Hong Kong and Macao, excluding Taiwan; hereafter, China).

#### 1. Purpose of the business alliance

Takara Bio has already entered into alliances with pharmaceutical companies in Japan and South Korea. In order to accelerate development of C-REV in other countries, Takara Bio has granted Tasly an exclusive license to develop, manufacture and sell C-REV in China.

#### 2. Details of business alliance

Under this agreement, Takara Bio will transfer C-REV manufacturing technology to Tasly and provide related technical information. Tasly will conduct clinical development of C-REV to obtain regulatory approvals in China as a new anticancer drug.

Takara Bio will receive an upfront payment, annual payments and milestone payments depending on the achievement of certain development based on the execution of the agreement. Total upfront and milestone payments will be more than 3 billion yen. Following launch, Takara Bio will also receive running royalties based on net sales and sales milestone payments on the achievement of target sales.

#### 3. Overview of business partners

(1) Company Name	Tasly Biopharmaceuticals. Co. Ltd.
(2) Head Office	No.280 Juli Road China (Shanghai) Pilot Free Trade Zone, 201203 People's Republic of China
(3) Legal representative	Kaijing Yan
(4) Main business	Production and sales of biologics
(5) Paid-in Capital	RMB 1,082,571,428 As of August 1, 2018
(6) Date of Incorporation	October 29, 2001
(7) Major shareholders (shareholding ratio)	Tasly Pharmaceutical Group (87.75%) As of March, 2020

#### 4. Future Outlook

This agreement may result in multi-year revenues from the upfront payment, milestone payments and sales milestone payments on the achievements of target sales (more than 3 billion yen in total). The expected forecast for the FY2020 ending March 2021 will be under review including other factors and published at the same time of the announcement of the financial results of FY2019 ended March 2020 on May 14, 2020.

Notes on handling this material

Statements contained in these materials with respect to the Company's current plans, forecasts, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of the Company and its consolidated subsidiaries. These statements are based on management's assumptions and beliefs in light of information currently available to it, but are based on a number of assumptions and beliefs derived from information that contains significant risks and uncertainties. Actual results may differ materially from these forecasts due to various factors. Factors that could influence actual results include, but are not limited to, economic conditions, especially trends in consumer spending, as well as exchange rate fluctuations, changes in laws and government systems, pressure from competitors' prices and product strategies, declines in selling power of the Company's existing and new products, disruptions to production, violations of our intellectual property rights, rapid advances in technology, and unfavorable verdicts in major litigation.

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