

**For Immediate Release**

February 12, 2016

Listed Company name : UMN Pharma Inc.  
Name of representative : Tatsuyoshi Hirano  
Chairman & CEO  
(TSE Code: 4585)  
Inquiries : Hiroyuki Hashimoto, CFO  
Telephone : +81-45-595-9840

### **Notice regarding the capital investment in UNIGEN Gifu plant**

UMN Pharma Inc. (hereinafter “UMN Pharma”) announces that UMN Pharma resolved, at its board of director’s meeting held on February 12, 2016, to conduct a capital investment in Gifu plant of UNIGEN Inc. (hereinafter “UNIGEN”), a consolidated subsidiary of UMN Pharma.

#### **1. Reasons for the capital investment**

UMN Pharma has been developing its main pipeline of UMN-0502, recombinant influenza HA vaccine for the prevention of seasonal influenza (hereinafter “UMN-0502”), in collaboration with Astellas Pharma Inc. (hereinafter “Astellas”). Astellas submitted an application for marketing approval of recombinant influenza HA vaccine ASP7374(UMN-0502) to the Ministry of Health, Labour and Welfare in Japan for the prevention of influenza in May, 2014 and ASP7374 is currently under examination by the authorities for approval. UMN-0502 will be commercially manufactured at Gifu plant of UNIGEN after obtaining the approval.

Concurrently, on February 12, 2016, UNIGEN reached a basic agreement with Protein Sciences Corporation (hereinafter “PSC”) to supply active ingredients of Flublok® manufactured at Gifu plant of UNIGEN to PSC for the US flu vaccine market, starting from 2017-2018 season. Flublok®, recombinant influenza HA vaccine for the prevention of seasonal influenza, was approved by Food and Drug Administration in January 2013 and is being manufactured by PSC and sold within U.S. market. This agreement was reached after the feasibility assessment of sourcing active ingredients of Flublok® from Gifu plant to PSC specified in the former agreement on December 22, 2014, which UMN Pharma entered into with PSC and IHI Corporation. UMN Pharma is granted an exclusive rights to UMN-0502 from PSC for development and commercialization in Japan, Republic of China, Republic of Korea, Taiwan, Hong Kong and Singapore.

UNIGEN is planning to manufacture UMN-0502 and active ingredients of Flublok® with its current capacity of two 21,000 liter main biological reactors. After reaching the agreement with PSC for the US market and thorough examination of future manufacturing capacity which is necessary to meet the projected demands from both Astellas and PSC, UMN Pharma has decided and resolved at its board of directors meeting to make additional capital investment in Gifu plant to construct additional two 21,000 liter biological reactors and related facilities, making it the capacity of four 21,000 liter biological reactors from 2017-2018 season, so as to fill the expected demands.

## 2. Details of the capital investment

(1) Location	11 Aza Kamikasugo, Miyaji, Ikeda-cho, Ibi-gun, Gifu, Japan Gifu plant of UNIGEN Inc. (a consolidated subsidiary of UMN Pharma)
(2) Details of the investment	Additional construction of 21,000 liter main biological reactors and effluent treatment facilities
(3) Amount to be invested	Approximately 2.6 billion yen (excluding tax)
(4) Timing of operation	The facilities are expected to be ready for operation on December 2016. Actual timing may differ depending on the progress in the examination of and obtaining a permit to the facilities by the authorities concerned.

## 3. Forecast

This capital investment will have no effect on the consolidated financial results for the year ending December 31, 2016. UMN Pharma intends to use its own cash on hand or proceeds from bank borrowings or lease financing to execute this investment.

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