



January 4, 2017

FOR IMMEDIATE RELEASE

Company name: U M N P h a r m a I n c .  
Representative: Chairman and CEO Tatsuyoshi Hirano  
Securities code: 4585  
Contact person: CFO Hiroyuki Hashimoto  
( T E L ) + 8 1 - 4 5 - 5 9 5 - 9 8 4 0

### **Notice regarding infringement of restrictive covenants of syndicated loans for UNIGEN**

UMN Pharma Inc. (“the Company”) notices that the syndicated loan agreement of UNIGEN Inc. (‘UNIGEN’, consolidated subsidiary of the Company) , entered into on March 31, 2014 among syndicate of four banks of Sumitomo Mitsui Banking Corporation (“SMBC”) , The Juroku Bank, Ltd., The Ogaki Kyoritsu Bank, Ltd., and The Akita Bank Ltd., with SMBC acting as the arranger and the agent and the Company being joint and several guarantor, has fallen into the status of infringement of the restrictive covenants of the loan on and after January 1, 2017. The outstanding balance of the syndicated loans stood at 11,185 million yen (Tranche A: 5,185 million yen, Tranche B: 6,000 million yen) as of December 31, 2016. The infringement is mainly attributable to the fact that the marketing approval of recombinant influenza HA vaccine UMN-0502 (ASP7374) was not obtained on or before December 31, 2016, which infringes of the related covenants of the loan. Judging from the current progress on the review process for marketing approval of UMN-0502 by Pharmaceuticals and Medical Devices Agency (“PMDA”), it has become difficult to reasonably set the deadline date of the approval in order to renew the covenants at this moment, which resulted in the infringement.

Under the circumstances, the Company is now earnestly negotiating with SMBC and the other syndicate of banks not to apply acceleration clause at the infringement of the restrictive covenants until additional precise information regarding future review process for UMN-0502 is obtained, and to continue the syndicated loan agreements.