

Thunderbolt Pharma, Inc., a Vitesse Biologics Company, Acquires Rights to BAFF/APRIL Dual Antagonist Program from Astellas Pharma Inc.

- **First company established under Vitesse Biologics, an innovative collaboration formed by Baxalta, Mayo Clinic and Velocity Pharmaceutical Development**
- **Thunderbolt Pharma, Inc., will use technology to develop potential treatments for systemic lupus erythematosus and other B-cell mediated disorders**

BANNOCKBURN, Ill., SAN FRANCISCO, Calif., and TOKYO, Japan, May 24, 2016 – Baxalta Incorporated (NYSE: BXLT), Velocity Pharmaceutical Development, LLC (VPD) and Astellas Pharma Inc. (TSE:4503) today announced that Thunderbolt, Inc., a company established by Vitesse Biologics, acquired all rights to the Astellas BAFF/APRIL dual antagonist program through an asset purchase agreement. The BAFF/APRIL dual antagonists will be developed for B cell disorders including systemic lupus erythematosus.

“With this asset purchase from Astellas and the creation of Thunderbolt, we are excited to begin to accelerate the development of the BAFF/APRIL dual antagonist program with the potential to deliver innovative treatments for patients with unmet needs,” said John Orloff, M.D., head of Research & Development and chief scientific officer, Baxalta. “This is the first company formed under the Vitesse Biologics platform, and we look forward to continuing to build our portfolio to explore new concepts and technologies.”

“We are pleased to have created this first company as a result of the novel model in drug development which leverages the basic science and clinical expertise of Mayo Clinic researchers with the drug development and manufacturing expertise of our partners, to accelerate patient therapies for B cell disorders,” said Andrew D. Badley, M.D., Director of Drug Discovery and the Office of Translation to Practice, Center for Clinical and Translational Science (CCaTS) at Mayo Clinic. “Mayo researchers pursue discoveries that will deliver hope and better health to people today and into the future.”

“I am really pleased that Velocity, Mayo Clinic and Baxalta which have strong capabilities of antibody and protein-based therapeutics in the areas of immunology, hematology, and oncology will proceed the development of BAFF/APRIL dual antagonist,” said Kenji Yasukawa, Ph.D., Chief Strategy Officer, Astellas. “We expect that innovative treatments could be delivered for patients who suffer from B cell disorders including systemic lupus erythematosus.”

Thunderbolt is the first company established by Vitesse Biologics, a unique collaboration model formed by Baxalta, Mayo Clinic and VPD focused on the development of antibody and protein-based therapeutics in the areas of immunology, hematology and oncology. Baxalta, the Mayo Clinic, VPD and Astellas are all shareholders in Thunderbolt.

Baxalta, Mayo Clinic and VPD will each contribute to the development costs associated with the program. Through Vitesse, Baxalta will provide global commercialization, antibody and protein development and manufacturing capabilities; through the Office of Translation to Practice, Mayo Clinic clinicians and researchers advise on selection of preclinical candidates, disease indications, and the design and conduct of Phase 1 clinical trials; and VPD will be responsible for target identification, selection of early stage drug candidates, will lead the design and execution of pre-clinical testing and advise the early clinical protocols.

About Vitesse Biologics

Vitesse Biologics, LLC, a Delaware Company based in South San Francisco, Calif., develops antibody and protein-based therapeutics in the areas of immunology, hematology and oncology.

About Baxalta

Baxalta Incorporated (NYSE: BXLN) is a global biopharmaceutical leader developing, manufacturing and commercializing therapies for orphan diseases and underserved conditions in hematology, immunology and oncology. Driven by passion to make a meaningful impact on patients’ lives, Baxalta’s broad and diverse pipeline includes biologics with novel mechanisms and advanced technology platforms such as gene therapy. Launched in 2015 following separation from Baxter International, Baxalta’s heritage in biopharmaceuticals spans decades. Baxalta’s therapies are available in more than 100 countries and it has advanced biological manufacturing operations across 12 facilities, including state-of-the-art recombinant production and plasma fractionation. Headquartered in Northern Illinois, with its Global Innovation Center in Cambridge, Mass., Baxalta employs 17,000 employees worldwide.

About Velocity

Velocity Pharmaceutical Development, LLC (VPD) is a pharmaceutical development organization dedicated to rapidly advancing promising drug candidates to clinical proof of concept using a highly virtual management model. VPD seeks to acquire promising drug candidates, generally within a year of their entering human clinical trials or after initial human clinical data have been generated. VPD then manages a development program for each drug candidate intended to generate convincing human proof of concept data (generally by conducting a phase 2 clinical trial). Following successful human proof of concept, VPD then seeks a large pharmaceutical company acquirer for each program. VPD is staffed by a seasoned team of clinical drug developers with expertise identifying attractive drug candidates, target markets, and designing and managing outsourced clinical trials. This expert team manages multiple single asset companies to remove the costly overhead and misaligned incentives present in traditional biotechnology company structures. VPD believes this new capital-efficient model will yield attractive new drugs to treat patients with significant unmet clinical needs. The company is located in South San Francisco, California. More information is available at www.vpd.net.

About Astellas

Astellas Pharma Inc., based in Tokyo, Japan, is a company dedicated to improving the health of people around the world through the provision of innovative and reliable pharmaceutical products. We focus on Urology, Oncology, Immunology, Nephrology and Neuroscience as prioritized therapeutic areas while advancing new therapeutic areas and discovery research leveraging new technologies/modalities. We are also creating new value by combining internal capabilities and external expertise in the medical/healthcare business. Astellas is on the forefront of healthcare change to turn innovative science into value for patients. For more information, please visit our website at www.astellas.com/en.

Forward-Looking Statements

This release includes forward-looking statements concerning Thunderbolt, Inc., a company established by Vitesse Biologics to develop BAFF/APRIL dual antagonists for B cell disorders, including expectations with regard to the development of the product pipeline and future regulatory actions. Such statements are made of the date that they were first issued and are based on current expectations, beliefs and assumptions of management. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond Baxalta's control and which could cause actual results to differ materially from those in the forward-looking statements, including the following: clinical trial results; satisfaction of regulatory and other requirements; actions of regulatory bodies and other governmental authorities; changes in laws and regulations; product quality, manufacturing or supply issues; patient safety issues; and other risks identified in Baxalta's Annual Report on Form 10-K and other Securities and Exchange Commission filings, all of which are available on Baxalta's website. Baxalta expressly disclaims any intent or obligation to update these forward-looking statements except as required by law.

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