Astellas Pharma Inc.: Enter into Option Agreement with Alavita to Acquire Diannexin Assets

TOKYO, November, 1, 2010—Astellas Pharma Inc. (TSE: 4503; headquarters: Tokyo; President and CEO: Masafumi Nogimori) announced today that it entered into a definitive option agreement with Alavita Pharmaceuticals, Inc. (headquarters: Mountain View, CA, USA.; Executive Chairman: Gordon Ringold) on 30 October 2010, pursuant to which Alavita grants to Astellas an exclusive option to acquire substantially all of Alavita's assets and rights relating to Diannexin.

Diannexin is a recombinant homodimer of the endogenous human Annexin V protein developed by Alavita. Diannexin inhibits monocyte and platelet binding to Phosphatidylserine and, thus, is expected to prevent delayed graft function ("DGF*") in kidney transplantation by averting the microvascular obstruction due to acute ischemic reperfusion injury ("IRI"). Alavita has completed a Phase-IIa study on Diannexin, which evaluated the safety and efficacy in kidney transplant recipients.

Pursuant to the terms of the Option Agreement, Astellas will have an exclusive right to conduct a Phase-IIb study on Diannexin and, following the completion of such study, will have an exclusive option to acquire substantially all of Alavita's assets and rights relating to Diannexin. In exchange for Alavita's granting of the option, Astellas will pay a non-refundable option fee of $5 million to Alavita. In the event that Astellas exercises the option and a definitive asset purchase agreement is entered into between the parties, Astellas would pay to Alavita (i) up to $40.5 million upon the achievement of pre-specified regulatory milestones and (ii) tiered sales-based payments on net sales of Diannexin for 10 years following the first commercial sale of the product. The binding principal terms of the Asset Purchase Agreement have been agreed upon, including the financial terms, and are specified in the Option Agreement.
The impact of this agreement on Astellas' financial forecast on the current fiscal year (from April 1, 2010 to March 31, 2011) and later will be immaterial.

Since the first launch of Prograf® in 1993, Astellas has globally assisted transplant patients through the prevention of organ rejection. This new partnership with Alavita is an important step to further assist patients by preventing DGF, and to expand our business and reinforce Astellas' presence and commitment in the area of transplant.

* DGF in kidney transplantation is defined as the need for dialysis in the first post transplant week. DGF is the most common allograft complication in the immediate post transplant

period, and the frequency of DGF ranges from as low as 4 to 10% in living donors to 50% in deceased donors (Yarlagadda, Coca et al. 2008). It is believed that there is a large unmet medical need for preventing DGF, because it is associated with increased incidence of organ rejection and graft loss post kidney transplantation, and no approved therapy is currently available.

About Astellas

Astellas Pharma Inc., located in Tokyo, Japan, is a pharmaceutical company dedicated to improving the health of people around the world through the provision of innovative and reliable pharmaceuticals. Astellas has approximately 15,000 employees worldwide. The organization is committed to becoming a global category leader in Urology, Immunology & Infectious Diseases, Neuroscience, DM complications & Metabolic Diseases and Oncology. For more information on Astellas Pharma Inc., please visit our website at http://www.astellas.com/en.

About Alavita

Alavita Pharmaceuticals is a closely held biotechnology company founded in 2005 to discover and develop treatments for IRI. IRI impacts tissues and organs that have been temporarily deprived of blood flow and thus inhibitors would be expected to improve function of transplanted organs.

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