

September 2, 2021



PeptiDream Inc.
<https://www.peptidream.com/>
(Securities Code: 4587 TSE Section 1)

PeptiDream Agrees to Acquire FUJIFILM Toyama Chemical's Radiopharmaceutical Business from Fujifilm

— Combining PeptiDream's excellence in peptide drug conjugates
with the Fujifilm Group's strength as a radiopharmaceutical platform in Japan —

KANAGAWA, JAPAN – September 2, 2021 – PeptiDream Inc., a public Kanagawa, Japan-based biopharmaceutical company (“PeptiDream”) (Tokyo:4587), announced today that the Board of Directors has resolved to acquire all outstanding shares of a newly established company (“the New Company”) that succeeds the radiopharmaceutical business (“the acquired business”) of FUJIFILM Toyama Chemical Co., Ltd. (“FUJIFILM Toyama Chemical”) through an absorption-type split, and to make the New Company a subsidiary of PeptiDream (the resolution is hereinafter referred to as “the acquisition”) under the share purchase agreement signed with FUJIFILM Corporation (“Fujifilm”).

1. Background and Objective of the Acquisition

PeptiDream is employing its proprietary PDPS (Peptide Discovery Platform System), a state-of-the-art highly versatile discovery platform, to identify highly potent and selective hit macrocyclic peptide candidates, which then can be developed into peptide-based, small molecule-based or peptide-drug conjugate (PDC) therapeutics. PDCs are an approach which maximizes the effect of the treatment by utilizing macrocyclic peptides as carriers to selectively deliver payloads, such as radionuclide, nucleic acid (siRNA, DNA, etc.), antibodies, proteins, peptides, and/or small molecule therapeutic agents, to target cell types or tissues within the body with minimal risks and side effects to healthy cells and tissues. PeptiDream has been promoting research and development of its PDC technology and has positioned PDC development in radiopharmaceuticals, in particular, as an important strategy, given the potential applications in the diagnosis and treatment of many different diseases, through the combination with next-generation radionuclides.

Meanwhile, FUJIFILM Toyama Chemical, as part of the Fujifilm's healthcare business, engages in research, development, manufacturing and marketing of diagnostic and therapeutic pharmaceuticals. In particular, it is one of the leading companies in radiopharmaceuticals in Japan and offers diagnostic agents for SPECT (Single Photon Emission Computed Tomography) and for PET (Positron Emission Tomography) and therapeutic radiopharmaceuticals. Among therapeutic radiopharmaceuticals, Lutathera[®] Injection, developed by FUJIFILM Toyama Chemical, received marketing authorization on June 23, 2021 as a new therapeutic option against neuroendocrine tumors and became the first approved peptide-radionuclide conjugate or Peptide Receptor Radionuclide Therapy (PRRT) in Japan.

Through the combination of next-generation radionuclides, which are experiencing rapid technological innovation, and selective delivery technologies, PeptiDream expects further expansion of the clinical (both therapeutic and diagnostic) applications of radiopharmaceuticals. PeptiDream will be able to combine its PDC technologies with the track record and know-how of the acquired business, to span from R&D to manufacturing and marketing of radiopharmaceuticals. This will enable PeptiDream to establish a fully optimized one-stop platform from discovery to research, development, manufacturing and marketing of radiopharmaceuticals. PeptiDream also aims to accelerate the expansion and development of the PDC business in the area of radiopharmaceuticals, and to act as central hub in the global network in this area. Expected synergies through this transaction include:

1. Technological Synergy

The acquired business possesses advanced technologies and know-how in radionuclides, whereas PeptiDream has proprietary technologies and know-how in carrier peptides to deliver radionuclides selectively to the targeted cells and tissues. Combining both technologies and know-how will enable continuous origination of novel next-generation radiopharmaceuticals.

2. Functional Synergy

The acquired business has a platform to drive commercialization of compounds from R&D to manufacturing and marketing if it has promising potential compounds. Combining this platform with PeptiDream's platform to discover potential compounds will enable the establishment of a fully optimized one-stop platform from discovery, through R&D, manufacturing and marketing of radiopharmaceuticals (as the partner of choice in the Japanese market).

3. Business Development Synergy

The acquired business has a track record of in-licensing and commercialization of radiopharmaceuticals from overseas partners, whereas PeptiDream runs R&D programs on peptide-radionuclide conjugates with several partners. By combining the strengths of the two companies, PeptiDream will become a central hub of global radiopharmaceutical network as the partner of choice for global pharmaceutical companies working on drug development in the Japanese market, and strengthen business development through both an expansion of in-licensing programs and acceleration of out-licensing.

[Comment from Patrick C. Reid, President and CEO of PeptiDream Inc.]

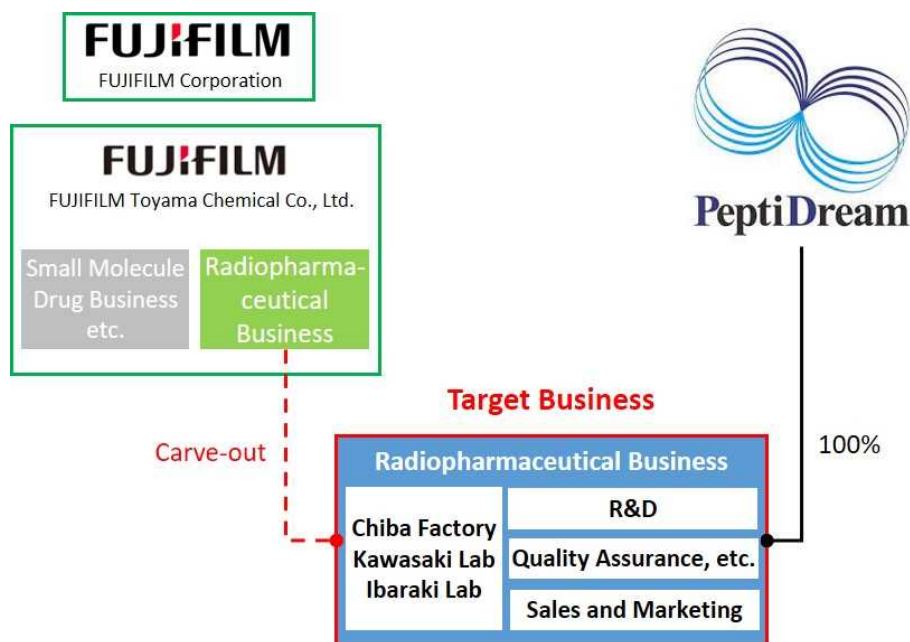
“We are pleased to announce that we acquire the radiopharmaceutical business of FUJIFILM Toyama Chemical from Fujifilm. With its strong platform of radiopharmaceuticals in Japan, combined with PeptiDream’s expertise in peptide discovery, optimization, and the peptide-radionuclide conjugate space, along with our strong network of partners in the field, we intend to, both internally (in-house) and with our partners (in collaboration), develop a diverse pipeline of next generation radiodiagnostics and radiotherapeutics.”

2. Transaction Overview

The acquisition will involve the following procedure.

- (1) Through an absorption-type split, the Business of FUJIFILM Toyama Chemical will be transferred to the New Company (Scheduled in March, 2022)
- (2) PeptiDream acquires all outstanding shares of the New Company from Fujifilm. (Scheduled in March, 2022)

<Transaction Scope>



With respect to financing, PeptiDream has already fully secured funds through a combination of cash on hand and a fully committed bridge loan. Permanent financing options for optimal capital structure are under consideration, including bank loans and raisings funds in the capital markets. The acquisition consideration is 30.5 billion yen (*1,2) under the agreement signed on September 2, 2021, and the closing is scheduled in March 2022.

*1 This is subject to adjustments depending on the balances of cash, deposits and borrowings at the time of closing and the changes in working capital and etc.

*2 In addition to the above, potential contingent payments tied to future events, such as business progress

3. Impact on Business Performance

Given the closing of the acquisition is scheduled in March 2022, the impact on our financial results for this fiscal year will be minimal. Our earnings forecasts for the fiscal year ending in December 2021, which were announced on February 10, 2021, remain unchanged.

We are currently estimating the impact on our business performance from the next fiscal year and disclose immediately once determined.

4. Advisors

BofA Securities Japan Co., Ltd is serving as exclusive financial advisor and Miura Partners is serving as legal advisor to PeptiDream.

<Reference>

Financial standing of the acquired business (carve-out) (million yen)

Fiscal year	Year ended March 2020 Result ¹	Year ended March 2021 Result ¹	Year ending March 2022 Forecast ²
Net sales	15,328	13,278	15,500
EBITDA (Earnings before interest, taxes, depreciation and amortization)	1,160	189	900
Total assets	17,130	16,380	—

1: These parts of the table are created by Fujifilm by excerpting the part of FUJIFILM Toyama Chemical that involves the acquired business based on certain assumptions.

2: PeptiDream created the performance forecasts based on certain assumption and the plan created by FUJIFILM Toyama Chemical. PeptiDream makes no warranty that it will achieve the figures written herein. Please note that business performance may fluctuate depending on many different factors.

About PeptiDream, Inc.

PeptiDream Inc. is a public (TSE: 4587) biopharmaceutical company founded in 2006 employing its proprietary Peptide Discovery Platform System (PDPS), a state-of-the-art highly versatile discovery platform which enables the production of highly diverse (trillions) non-standard peptide libraries with high efficiency, for the identification of highly potent and selective hit candidates, which then can be developed into peptide-based, small molecule-based or peptide-drug conjugate therapeutics. PeptiDream aspires to be a world leader in drug discovery and development to address unmet medical needs and improve the quality of life of patients worldwide. For further information, please visit <https://www.peptidream.com>.

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