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FOR IMMEDIATE RELEASE

Company name: Otsuka Holdings Co., Ltd.
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Otsuka Pharmaceutical to Acquire Visterra

*Hierotope[®] platform enables design and engineering of next-generation antibody-based therapies
Strengthens commitment to nephrology and other hard-to-treat diseases*

Otsuka Pharmaceutical Co., Ltd. (Otsuka), a wholly owned subsidiary of Otsuka Holdings Co., Ltd., and Visterra, Inc. (Visterra) announce that they have entered into a definitive merger agreement pursuant to which Otsuka will acquire Visterra for approximately USD 430 million^{*1} in an all-cash transaction. The Otsuka and Visterra boards of directors have approved the transaction. Subject to customary closing conditions, including expiration or termination of the waiting period under U.S. antitrust laws, the transaction is expected to close in the third quarter of 2018.

*1 Visterra's enterprise value, as agreed by Otsuka Pharmaceutical Co., Ltd. and Visterra, Inc. Acquisition price will be finalized based on Visterra's financial statements including cash and cash equivalents and indebtedness etc. at the transaction closing date.

1. Outline

Visterra's Hierotope platform, comprised of novel computational and experimental technologies, enables the design and engineering of precision antibody-based therapies that specifically bind to, and modulate, disease targets that are not adequately addressed by current technologies in antibody therapeutics. [Visterra's pipeline](#) includes programs targeting IgA nephropathy and other kidney diseases, oncology, chronic pain and infectious diseases.

[Otsuka's research areas](#) are in psychiatric and neurological diseases, hematological cancers, and kidney, cardiovascular, and infectious diseases. The company is placing emphasis on proprietary drug discovery and development platforms, including antibody development platforms, as a means to increase the efficiency of drug discovery across its programs and as an addition to conventional R&D processes.

Tatsuo Higuchi, president and representative director of Otsuka Pharmaceutical Co., Ltd. commented, "I am highly gratified that Visterra's exceptional antibody platform technology, promising pipeline and talented researchers will join up with Otsuka. By collaborating and reinforcing each other's culture, human ingenuity and technology, we hope to help fulfill Visterra's promise as a powerful new drug creation engine and expand Otsuka's research horizons."

"This transaction affirms the power of Visterra's novel technology platform, the promise of our product candidates, and the value our employees and shareholders have created. Our two companies share a common culture of creativity and innovation, and commitment to patients with kidney diseases, cancer and other hard-to-treat diseases. Joining forces with Otsuka will provide Visterra the resources, support and commitment to accelerate development of our pipeline and fully realize the potential of our technology platform," said Brian J. G. Pereira, MD, CEO of Visterra.

The extensive overlap in disease areas prioritized by both companies reflects a shared, deeper commitment to tackle the most difficult treatment challenges through innovative approaches.

Following completion of the acquisition, Visterra will be a wholly owned subsidiary of Otsuka America, Inc., which is a U.S. holding company and a wholly owned subsidiary of Otsuka Pharmaceutical Co., Ltd. of Japan. Visterra will continue to operate its business and develop its pipeline as a member of the Otsuka family of companies, retaining its talent and its location in Waltham, Massachusetts.

2. About Otsuka Pharmaceutical Co., Ltd.

Otsuka Pharmaceutical is a global healthcare company with the corporate philosophy: “Otsuka-people creating new products for better health worldwide.” Otsuka researches, develops, manufactures and markets innovative products, with a focus on pharmaceutical products for the treatment of diseases and nutraceutical products for the maintenance of everyday health.

In pharmaceuticals, Otsuka is a leader in the challenging area of mental health and also has research programs in several under-addressed diseases including tuberculosis, a significant global public health issue. These commitments illustrate how Otsuka is a “big venture” company at heart, applying a youthful spirit of creativity in everything it does.

Otsuka Pharmaceutical is a subsidiary of Otsuka Holdings Co., Ltd. headquartered in Tokyo, Japan. The Otsuka group of companies employed 46,000 people worldwide and had consolidated sales of approximately USD 11.1 billion in 2017.

All Otsuka stories start by taking the road less travelled. Learn more about Otsuka Pharmaceutical Company on its global website at <https://www.otsuka.co.jp/en>. Learn more about Otsuka in the U.S. at www.otsuka-us.com and connect with us on Twitter at [@OtsukaUS](https://twitter.com/OtsukaUS).

3. About Visterra, Inc.

Visterra is a clinical stage biotechnology company committed to developing innovative antibody-based therapies for the treatment of patients with kidney diseases and other hard-to-treat diseases. Its proprietary Hierotope® platform enables the design and engineering of precision antibody-based product candidates that specifically bind to and modulate key disease targets that are not adequately addressed by traditional therapeutic approaches. The platform also includes Fc engineering capabilities for half-life extension, bispecific antibodies and antibody-drug conjugates (ADCs). Visterra’s pipeline includes programs targeting IgA nephropathy and other kidney diseases, oncology, chronic pain and infectious diseases. For more information, visit www.visterrainc.com.

Corporate name	Visterra Inc.	
Address	275 2nd Avenue, Waltham, MA 02451, USA	
Representative	Brian Pereira, President & CEO	
Business	Clinical stage biotechnology company committed to developing innovative antibody-based therapies	
Capital	US 243 dollars ^{*2} (as of March 31, 2018)	
Founded	2007	
Major shareholders and shareholding percentages ^{*3}	Polaris Partners	17.2%
	Flagship Pioneering	15.3%
	Bill and Melinda Gates Foundation	10.6%
	Merck Research Lab Venture Fund	10.2%
	Temasek Holdings ^{*4}	10.2%
Total assets	US 25.48 million dollars ^{*2} (as of March 31, 2018)	
Net assets	US (-)12.93 million dollars ^{*2} (as of March 31, 2018)	
Relationship with Otsuka Holdings Co., Ltd.	There is no capital, personnel or transactional relationship between Visterra Inc. and Otsuka Holdings Co., Ltd. that needs to be disclosed.	

*2 Unaudited value

*3 Shareholding percentages are calculated based on the number of shares Otsuka America, Inc. intends to purchase, pursuant to the merger agreement. Preferred shares owned by shareholders are converted to common shares based on this calculation,

*4 Includes share holdings by Vertex Ventures HC

4. Number of Shares to be Acquired, Acquisition Price and State of Share Ownership Before and After the Acquisition

Number of shares held prior to the Acquisition	0 shares
Number of shares to be acquired	17,284,837 shares (fully diluted shares) ^{*5}
Acquisition price	USD 430 million (estimated)
Number of shares held after the Acquisition	17,284,837 shares (voting ratio: 100%)

*5 Number of shares Otsuka America, Inc. intends to purchase, pursuant to the merger agreement. Preferred shares owned by shareholders are converted to common shares based on this calculation.

5. Schedule

Otsuka Holdings' board of directors resolution	July 11, 2018 (Japan time)
Date of signing of the merger agreement	July 11, 2018 (Japan time)
Date of closing	Expected to close in the third quarter of 2018

6. Financial Impact

The impact of this acquisition on the current year's operational results will be announced upon finalization of accounting treatment.