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Teijin Limited and Versartis Enter Strategic Alliance for Commercialization of Somavaratan Long-Acting Growth Hormone in Japan

Teijin's regulatory and commercial infrastructure ideally suited to capitalize on somavaratan, which is positioned to be the first potential long-acting form of recombinant growth hormone (rhGH) to enter the Japanese market

- Teijin to receive exclusive license to commercialize and further develop somavaratan long acting growth hormone in Japan, a key market for rhGH products
- Versartis to receive $40 million upfront, and up to $125 million in potential development, regulatory and sales milestones
- As exclusive supplier of somavaratan to Teijin, Versartis to receive from Teijin transfer pricing and a royalty calculated on net sales in Japan

TOKYO and MENLO PARK, Calif., Aug. 09, 2016 (GLOBE NEWSWIRE) -- Teijin Limited (TSE:3401) and Versartis, Inc. (NASDAQ:VSAR) today announced that the companies and their wholly owned subsidiaries (collectively "Teijin" and "Versartis", respectively) have entered into an exclusive license and supply agreement for the development and commercialization of somavaratan (VRS-317) in Japan. Versartis, an endocrine-focused biopharmaceutical company, has been developing somavaratan, a novel, long-acting form of rhGH, for pediatric and adult growth hormone deficiency (GHD) in Japan. Teijin Pharma Limited, the core company of the Teijin Group's medical and pharmaceutical business, markets a variety of pharmaceutical products throughout Japan, including in the areas of metabolic and endocrine disease.

"We believe somavaratan (VRS-317) will provide a significant therapeutic benefit to Japanese patients with its twice-monthly regimen. We are excited that we can contribute to enhancing the quality of life of patients with Growth Hormone Deficiency by adding this innovative product to our lineup," said Hiroshi Uno, Senior Executive Officer, Member of the Board of Teijin Limited and President of Teijin Pharma Limited.

"We have been very focused in this process and are extremely pleased to be establishing an alliance with Teijin Pharma, who has an established track record of very successfully leading new drugs through approval and commercialization within Japan. They are enthusiastic about the addition of somavaratan to their existing portfolio of metabolic and endocrine products and are well positioned to maximize its commercial potential in Japan, which currently represents more than 20% of the global market for daily rhGH," said Jay Shepard, Chief Executive Officer of Versartis. "As our first product partnership, this agreement represents a landmark in our corporate history. Teijin recognizes the strength of the somavaratan product profile and the significant potential it has to impact the lives of patients with GHD. We are fully focused on executing our clinical trial strategy and preparing for potential regulatory filings in the U.S. and beyond. The upfront and potential near-term milestone payments in this agreement further strengthen our financial resources to do so."

Somavaratan is currently the longest acting growth hormone product in development, with a twice-monthly dosing schedule being evaluated in clinical trials, and may be the first long-acting entrant to the Japanese market. In pediatric GHD, the J14VR5 Phase 2/3 trial of somavaratan is underway in Japan and the Phase 3 VELOCITY trial in the U.S., Canada and Europe is expected to complete enrollment in mid-August 2016, with data anticipated in Q3 2017. In adult GHD, the Phase 2 VITAL trial in the U.S., Europe and Australia has completed enrollment and initial top-line data are expected during the second half of 2016.

Summary of Agreement Terms

Under the terms of the agreement, Teijin will receive an exclusive license to commercialize and further develop somavaratan long acting growth hormone in Japan, while Versartis retains exclusive rights to somavaratan in the rest of the world. Versartis GmbH, a subsidiary of Versartis, Inc., will receive an upfront payment of $40 million and is eligible to receive up to $125 million in milestone payments, as follows: development milestone of $35 million, regulatory milestones up to $55 million and sales milestones up to $35 million.

Versartis GmbH will be the exclusive manufacturer and supplier of somavaratan to Teijin. In exchange, it will receive a combination of a running royalty and transfer pricing based upon net sales of the product in Japan.

Versartis will be responsible for completing and funding the J14VR5 Phase 2/3 trial of somavaratan in pediatric GHD already underway in Japan, as well as the ongoing pediatric VELOCITY and adult VITAL trials outside of Japan. Teijin will be solely

responsible for executing and funding regulatory and commercialization activities for somavaratan in all indications within Japan. A Joint Steering Committee will be formed to oversee regulatory and commercialization strategy, as well as further clinical development activities.

About Somavaratan

Somavaratan is Versartis' investigational, novel, long-acting form of recombinant human growth hormone (rhGH). This fusion protein consists of rhGH and specific sequences of naturally-occurring hydrophilic amino acids based on a proprietary XTEN®[1] technology. Somavaratan has been designed with the goal of improving therapeutic outcomes for children and adults with growth hormone deficiency (GHD), including enhanced compliance and convenience with a twice-monthly dosing schedule, fine gauge needle autoinjector device and room temperature storage.

Somavaratan is currently being evaluated for the treatment of pediatric GHD in the pivotal Phase 3 VELOCITY trial in the U.S., Canada and Europe, for which data are anticipated in Q3 2017, and the J14VR5 Phase 2/3 trial in Japan. Two-year safety and efficacy data from the ongoing pediatric Extension Study of somavaratan were presented at the Endocrine Society's Annual Meeting in April 2016. In adult GHD, initial results from the Phase 2 VITAL trial in the U.S., Europe and Australia are expected during the second half of 2016.

[1]XTEN is a registered trademark of Amunix Operating Inc.

About the Teijin Group

Teijin (TSE:3401) is a technology-driven global group offering advanced solutions in the areas of sustainable transportation, information and electronics, safety and protection, environment and energy, and healthcare. Its main fields of operation are high-performance fibers such as aramid, carbon fibers & composites, healthcare, films, resin & plastic processing, polyester fibers, products converting and IT. The group has some 150 companies and around 16,000 employees spread out over 20 countries worldwide. It posted consolidated sales of JPY 790.7 billion (USD 7.4 billion) and total assets of JPY 823.4 billion (USD 7.7 billion) in the fiscal year ending March 31, 2016. Please visit www.teijin.com.

About Versartis, Inc.
Versartis, Inc. is an endocrine-focused biopharmaceutical company initially developing somavaratan, a novel, long-acting form of recombinant human growth hormone in late-stage clinical trials for the treatment of GHD in children and adults. Somavaratan is intended to reduce the burden of daily injection therapy by requiring significantly fewer injections, potentially improving compliance and, therefore, treatment outcomes. For more information on Versartis, visit www.versartis.com.

Versartis, Inc. Cautionary Note on Forward-Looking Statements
This press release contains forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding our intentions or current expectations concerning, among other things, plans and timing of our clinical trials and the potential for eventual regulatory approval of somavaratan in Japan and other countries. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results and events to differ materially from those anticipated, including, but not limited to, risks and uncertainties related to: our success being heavily dependent on somavaratan; somavaratan being a new molecular entity; the risk that somavaratan may not have favorable results in clinical trials or receive regulatory approval; potential delays in our clinical trials due to regulatory requirements or difficulty identifying qualified investigators or enrolling patients; the risk that somavaratan may cause serious side effects or have properties that delay or prevent regulatory approval or limit its commercial potential; the risk that we may encounter difficulties in manufacturing somavaratan; if somavaratan is approved, risks associated with its market acceptance, including pricing and reimbursement; potential difficulties enforcing our intellectual property rights; our reliance on our license of intellectual property from Amunix Operating, Inc. and our need for additional funds to support our operations. We discuss many of these risks in greater detail under the heading "Risk Factors" contained in our Annual Report on Form 10-K for the year ended December 31, 2015 and in our Quarterly Report on Form 10-Q for the three months ended June 30, 2016, which are on file with the Securities and Exchange Commission (SEC). Forward-looking statements are not guarantees of future performance, and our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from the forward-looking statements contained in this press release. Any forward-looking statements that we make in this press release speak only as of the date of this press release. We assume no obligation to update our forward-looking statements whether as a result of new information, future events or otherwise, after the date of this press release.

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