

Athersys terminates license agreement with Chugai

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NASDAQ-listed Athersys Inc. and Japan's Chugai Pharmaceutical Co. Ltd. have ended the license agreement between them for the exclusive development and commercialization of MultiStem cell therapy for ischemic stroke in Japan.

The parties were unable to reach an agreement on the modification of the financial terms of the agreement and on development strategy in Japan, in light of the results from the phase II clinical study. All rights will revert to Athersys, and Athersys will retain the \$10 million license fee paid by Chugai.

"Athersys and Chugai have great respect for one another, and share common values and a desire to develop and advance innovative therapies that have the potential to address substantial unmet medical needs," said Gil Van Bokkelen, Chairman and CEO of Athersys. "Ultimately, however, we were not able to find common ground regarding the best way to advance the ischemic stroke program working together, and we agreed that a termination would better enable Athersys to pursue its envisioned development approach."

Additionally, Athersys announced today that it has entered into a letter of intent with a Japanese company, accompanied by a good faith payment, to collaborate on the development and commercialization of MultiStem cell therapy for several indications in Japan, including ischemic stroke. Athersys is also in ongoing discussions with several companies about collaborating on the development and commercialization of MultiStem therapy in multiple areas, including ischemic stroke outside of Japan. Partnership remains a key part of Athersys' development strategy for MultiStem cell therapy.

Athersys remains enthusiastic about the development of MultiStem cell therapy in Japan. Recent approvals by the Japanese Pharmaceutical and Medical Devices Agency (PMDA) under PMDA's new framework for accelerated development and commercialization of regenerative medicine therapies have confirmed the significance and availability of this new regulatory pathway to product approval, as well as the potential for contingent or even full approval with evidence of safety and data that suggests a clinical benefit in patients.