Exelixis Announces Collaborator Daiichi Sankyo's Initiation of Phase 3 Clinical Development for CS-3150, a Selective Mineralocorticoid Receptor Antagonist

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-- Daiichi Sankyo-sponsored development program includes phase 3 pivotal trial in Japanese hypertensive patients and six supportive studies –

-- Enrollment of first patient in phase 3 pivotal trial triggers $15 million milestone payment to Exelixis --

SOUTH SAN FRANCISCO, Calif.--(BUSINESS WIRE)--Sep. 26, 2016-- Exelixis, Inc. (NASDAQ:EXEL) today announced that its partner Daiichi Sankyo Company, Limited (hereafter, Daiichi Sankyo) has initiated a phase 3 pivotal trial to evaluate CS-3150 (esaxerenone (r-INN)), an oral, non-steroidal, selective mineralocorticoid receptor antagonist, as a treatment for essential hypertension in Japanese patients. As a result of Daiichi Sankyo enrolling the first patient in the program's phase 3 pivotal trial, Exelixis is eligible for a $15 million milestone payment, which it expects to receive in the fourth quarter of 2016.

In March 2006, Daiichi Sankyo and Exelixis entered into a research collaboration agreement to discover, develop and commercialize novel therapies targeting the mineralocorticoid receptor. Under the terms of the agreement, Daiichi Sankyo has exclusive global development, manufacturing, and commercialization rights for the compounds. CS-3150 is one of the compounds identified during the research collaboration, and has subsequently been developed by Daiichi Sankyo.

The ESAX-HTN phase 3 pivotal trial is a randomized study of CS-3150 versus eplerenone in Japanese hypertensive patients. The trial will enroll an estimated 930 patients into three treatment arms: 2.5 mg and 5 mg doses of CS-3150, and 50 mg of eplerenone. The eighteen-week trial includes a four week washout period, twelve week study period and two week follow-up period. Among other inclusion criteria, to participate in the trial patients must be classified as hypertensive with systolic blood pressure between 140-180 mmHg, diastolic blood pressure between 90-110 mmHg and a mean 24-hour blood pressure reading greater than 130/80 mmHg. The primary objective is to evaluate the antihypertensive effect and safety of CS-3150 2.5 mg once daily compared to eplerenone; a secondary objective is to evaluate the effectiveness of the 2.5 and 5 mg doses of CS-3150.

In addition to ESAX-HTN, Daiichi Sankyo is sponsoring six smaller phase 3 clinical trials of CS-3150 in specific populations of patients with hypertension, either as monotherapy or in combination with other therapies used to treat the condition. The largest of these trials, Study J302, has been active since March 2016 and is a long-term, open-label study to evaluate the efficacy and safety of CS-3150 in 360 patients with essential hypertension, including forms that cannot be controlled by angiotensin II receptor blockers (ARB) or angiotensin converting enzyme (ACE) inhibitors. Another study in the program, J306, will evaluate the efficacy and safety of CS-3150 as an add-on to ARB or ACE inhibitor therapy in patients with hypertension and type 2 diabetes with albuminuria, a population for whom eplerenone is contraindicated. For more information on the clinical trial program, please visit http://www.clinicaltrials.gov.

"We are pleased to see our partner Daiichi Sankyo continue to advance CS-3150 through clinical development and into a well designed phase 3 pivotal trial in Japanese patients with essential hypertension," said Michael M. Morrissey, Ph.D., president and chief executive officer of Exelixis. "While our strategic partners devote their time and resources to progressing out-licensed Exelixis-discovered compounds, our internal team is focused on continuing to build a global franchise for cabozantinib and participating meaningfully in the commercialization of cobimetinib in the United States."

Daiichi Sankyo's decision to take CS-3150 into phase 3 clinical development was guided by results from multiple phase 2 trials, including data from a randomized, placebo-controlled double-blind trial evaluating doses of CS-3150, and open-label eplerenone in 400 patients with hypertension. Daiichi Sankyo is currently reviewing those data in advance of potential submission for publication or presentation at a scientific forum later this year.

About Hypertension in Japan[1]

According to the 2012 Japan National Health and Nutrition Survey, there are an estimated 43 million patients with hypertension in the country, which accounts for 60% of men and 45% of women over the age of 30 in the general Japanese population.[1] Just 30% of men and 40% of women with hypertension and treatment with antihypertensive medication typically achieve the goal of systolic and diastolic blood pressure lower than 140/90mm Hg.

Hypertension is one of the major risk factors for cardiovascular disease such as stroke and coronary heart disease, and the condition also raises the risk of chronic kidney disease and end-stage renal disease. Essential hypertension is the most common form of hypertension and has heterogeneous factors such as genetics and lifestyle habits, while secondary hypertension is associated with underlying disease factors. Essential hypertension is the most common form of hypertension, affecting 90% of hypertensive patients.

About CS-3150 (esaxerenone (r-INN))

CS-3150 (esaxerenone (r-INN)) is an oral, non-steroidal, selective antagonist of the mineralocorticoid receptor (MR), a nuclear hormone receptor implicated in a variety of cardiovascular and metabolic diseases. MR antagonists can be used to treat hypertension and congestive heart failure due to their vascular protective effects. Recent studies have also shown beneficial effects of adding MR antagonists to the treatment regimen for Type 2 diabetic patients with nephropathy. As a non-steroidal, selective MR antagonist, CS-3150 may have potential for the treatment of hypertension, diabetic nephropathy and congestive heart failure, and may provide protection from end organ damage due to vascular complications.

CS-3150 is one of the compounds identified during Exelixis' research collaboration with Daiichi Sankyo, which the companies entered into in March 2006. Under the terms of the agreement, Exelixis granted Daiichi Sankyo an exclusive, worldwide license to certain intellectual property primarily relating to compounds that modulate MR. In exchange, Exelixis received a $20 million upfront payment, research funding for a joint research period, and the potential for substantial clinical development, regulatory and commercialization milestone payments, as well as double-digit royalties on sales. Since the conclusion of the joint research period in November 2007, Daiichi Sankyo has been responsible for all subsequent preclinical and clinical development, and will also oversee regulatory, manufacturing and commercialization activities for the compound.

About Exelixis

Exelixis, Inc. (NASDAQ:EXEL) is a biopharmaceutical company committed to the discovery, development and commercialization of new medicines with the potential to improve care and outcomes for people with cancer. Since its founding in 1994, three medicines discovered at Exelixis have progressed through clinical development to receive regulatory approval. Currently, Exelixis is focused on advancing cabozantinib, an inhibitor of multiple tyrosine kinases including MET, AXL and VEGF receptors, which has shown clinical anti-tumor activity in more than 20 forms of cancer and is the subject of a broad clinical development program. Two separate formulations of cabozantinib have received regulatory approval to treat certain forms of kidney and thyroid cancer and are marketed for those purposes as CABOMETYX™ tablets (U.S. and EU) and COMETRIQ® capsules (U.S. and EU), respectively. Another Exelixis-discovered compound, COTELLIC® (cobimetinib), a selective inhibitor of MEK, has been approved in major territories including the United States and European Union, and is being evaluated for further potential indications by Roche and Genentech (a member of the Roche Group) under a collaboration with Exelixis. For more information on Exelixis, please visit www.exelixis.com or follow @ExelixisInc on Twitter.

Forward-Looking Statements

This press release contains forward-looking statements, including, without limitation, statements related to: Exelixis' eligibility for a $15 million milestone payment from Daiichi Sankyo and the expectation that it will be received in the fourth quarter of 2016; Exelixis' focus on continuing to build a global franchise for cabozantinib and participating meaningfully in the commercialization of cobimetinib in the United States; the therapeutic potential of CS-3150 for the treatment of hypertension, diabetic nephropathy and congestive heart failure, and for protection from end organ damage due to vascular complications; Exelixis' commitment to the discovery, development and commercialization of new medicines with the potential to improve care and outcomes for people with cancer; Exelixis' focus on advancing cabozantinib; and the continued development of cobimetinib. Words such as "eligible," "expects," "may," "potential," "committed," "focused," or other similar expressions identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements are based upon Exelixis' current plans, assumptions, beliefs, expectations, estimates and projections. Forward-looking statements involve risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of these risks and uncertainties, which include, without limitation: risks related to the potential failure of CS-3150 to demonstrate safety and efficacy in clinical testing; Exelixis' dependence on its relationship with Daiichi Sanyo with respect to CS-3150 and Exelixis' ability to maintain its rights under the collaboration; the degree of market acceptance of CABOMETYX and the availability of coverage and reimbursement for CABOMETYX; the risk that unanticipated developments could adversely affect the commercialization of CABOMETYX; Exelixis' dependence on its relationship with Ipsen, including, the level of Ipsen's investment in the resources necessary to successfully commercialize cabozantinib in the territories where it is approved; risks and uncertainties related to regulatory review and approval processes and Exelixis' compliance with applicable legal and regulatory requirements; Exelixis' ability to conduct clinical trials of cabozantinib sufficient to achieve a positive completion; risks related to the potential failure of cabozantinib to demonstrate safety and efficacy in clinical testing; Exelixis' dependence on its relationship with Genentech/ Roche with respect to cobimetinib and Exelixis' ability to maintain its rights under the collaboration; Exelixis' dependence on third-party vendors; Exelixis' ability to protect the company's intellectual property rights; market competition; changes in economic and business conditions, and other factors discussed under the caption "Risk Factors" in Exelixis' quarterly report on Form 10-Q filed with the Securities and Exchange Commission (SEC) on August 3, 2016, and in Exelixis' future filings with the SEC. The forward-looking statements made in this press release speak only as of the date of this press release. Exelixis expressly disclaims any duty, obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Exelixis' expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

[1] The Japanese Society of Hypertension Guidelines for the Management of Hypertension (JSH 2014). *Hypertens Research* 2014; 37: 253-392.

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Exelixis, Inc.
Susan Hubbard, 650-837-8194
Investor Relations & Public Affairs
shubbard@exelixis.com
or
For Exelixis, Inc.
Hal Mackins, 415-994-0040
hal@torchcomllc.com