Merck Establishes Strategic Oncology Collaboration with Taiho and Astex

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KENILWORTH, N.J.--(BUSINESS WIRE)--Merck (NYSE: MRK), known as MSD outside the United States and Canada, today announced an exclusive worldwide research collaboration and license agreement with Taiho Pharmaceutical Co., Ltd., (“Taiho”) and Astex Pharmaceuticals (UK), a wholly owned subsidiary of Otsuka Pharmaceutical Co., Ltd. (“Astex”), focused on the development of small molecule inhibitors against several drug targets, including the KRAS oncogene, which are currently being investigated for the treatment of cancer.

“At Merck we continue to pursue new regimens designed to extend the benefits of highly selective therapies to more patients with cancer,” said Dr. Roger M. Perlmutter, president, Merck Research Laboratories. “This agreement with Taiho and Astex combines our respective small molecule assets and industry-leading expertise in cancer cell signaling to enable development of the most promising drug candidates.”

Under the terms of the agreement, Merck, Taiho and Astex will combine preclinical candidates and their data with knowledge and expertise from their respective research programs. In exchange for providing Merck an exclusive global license to their small molecule inhibitor candidates, Taiho and Astex will receive an aggregate upfront payment of $50 million and will be eligible to receive approximately $2.5 billion contingent upon the achievement of preclinical, clinical, regulatory and sales milestones for multiple products arising from the agreement, as well as tiered royalties on sales. Merck will fund research and development and will be responsible for commercialization of products globally. Taiho has retained co-commercialization rights in Japan and an option to promote in specific areas of South East Asia.

“Taiho has used its unique and proprietary drug discovery platform to generate a number of small molecule inhibitors,” said Teruhiro Utsugi, Ph.D., managing director at Taiho. “This alliance builds on our KRAS research up to now and together with Merck, allows us to combine our expertise to significantly accelerate the global research, development, and commercialization of a number of our mutant KRAS programs by accessing external talent and resources.”

“Together with our Taiho colleagues we are delighted to be working with Merck, one of the global leaders in oncology drug development, on this strategic alliance. This collaboration is another testament to Astex’s position as the leader in fragment-based drug discovery,” said Harren Jhoti, Ph.D., president and CEO of Astex.

KRAS is among the most frequently mutated oncogenes in cancer. It is estimated to occur in more than 90% of pancreatic cancers and approximately 20% of non-small cell lung cancers (NSCLC) and is associated with poorer outcomes.

Merck’s Focus on Cancer

Our goal is to translate breakthrough science into innovative oncology medicines to help people with cancer worldwide. At Merck, the potential to bring new hope to people with cancer drives our purpose and supporting accessibility to our cancer medicines is our commitment. As part of our focus on cancer, Merck is committed to exploring the potential of immuno-oncology with one of the largest development programs in the industry across more than 30 tumor types. We also continue to strengthen our portfolio through strategic acquisitions and are prioritizing the development of several promising oncology candidates with the potential to improve the treatment of advanced cancers. For more information about our oncology clinical trials, visit www.merck.com/clinicaltrials.

About Merck

For more than a century, Merck, a leading global biopharmaceutical company known as MSD outside of the United States and Canada, has been inventing for life, bringing forward medicines and vaccines for many of the world’s most challenging diseases. Through our prescription medicines, vaccines, biologic therapies and animal health products, we work with customers and operate in more than 140 countries to deliver innovative health solutions. We also demonstrate our commitment to increasing access to health care through far-reaching policies, programs and partnerships. Today, Merck continues to be at the forefront of research to advance the prevention and treatment of diseases that threaten people and communities around the world - including cancer, cardio-metabolic diseases, emerging animal diseases, Alzheimer’s disease and infectious diseases including HIV and Ebola. For more information, visit www.merck.com and connect with us on Twitter, Facebook, Instagram, YouTube and LinkedIn.

About Taiho Pharmaceutical
Taiho Pharmaceutical, a subsidiary of Otsuka Holdings Co., Ltd., is an R&D-driven specialty pharma focusing on the three fields of oncology, allergy and immunology, and urology. Its corporate philosophy takes the form of a pledge: “We strive to improve human health and contribute to a society enriched by smiles.” In the field of oncology in particular, Taiho Pharmaceutical is known as a leading company in Japan for developing innovative medicines for the treatment of cancer, a reputation that is rapidly expanding through their extensive global R&D efforts. In areas other than oncology, as well, the company creates and markets quality products that effectively treat medical conditions and can help improve people’s quality of life. Always putting customers first, Taiho Pharmaceutical also aims to offer consumer healthcare products that support people’s efforts to lead fulfilling and rewarding lives.

For more information about Taiho Pharmaceutical, please visit: https://www.taiho.co.jp/en/.

About Astex Pharmaceuticals

Astex Pharmaceuticals (UK) is a leader in innovative drug discovery and development, committed to the fight against cancer. Astex is developing a proprietary pipeline of novel therapies and has multiple partnered products in development under collaborations with leading pharmaceutical companies. Astex is a wholly owned subsidiary of Otsuka Pharmaceutical Co. Ltd., based in Tokyo, Japan.

Otsuka Pharmaceutical Co., Ltd. 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 and original products, with a focus on pharmaceutical products for the treatment of diseases and nutraceutical products for the maintenance of everyday health.

For more information about Astex Pharmaceuticals, Inc. please visit: http://www.astx.com

For more information about Otsuka Pharmaceutical, please visit: https://www.otsuka.co.jp/en/

Forward-Looking Statement of Merck & Co., Inc., Kenilworth, N.J., USA

This news release of Merck & Co., Inc., Kenilworth, N.J., USA (the “company”) includes “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based upon the current beliefs and expectations of the company’s management and are subject to significant risks and uncertainties. There can be no guarantees with respect to pipeline products that the products will receive the necessary regulatory approvals or that they will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the company’s ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of the company’s patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the company’s 2018 Annual Report on Form 10-K and the company’s other filings with the Securities and Exchange Commission (SEC) available at the SEC’s Internet site (www.sec.gov).

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