BioSpectrum the business of Bio & Health Sciences ASIA EDITION

Kite Pharma joins hands with Daiichi Sankyo for cancer med

January 10, 2017 | News

Daiichi Sankyo will make an upfront payment to Kite of $50 million and Kite will be eligible to receive future payments totaling up to $200 million for development and commercial milestones Daiichi Sankyo will make an upfront payment to Kite of $50 million and Kite will be eligible to receive future payments totaling up to $200 million for development and commercial milestones



Singapore: US based Kite Pharma announced that it has joined hands with Japanese drug giant Daiichi Sankyo to co-develop and commercialize its cancer treatment therapy in Japan. The drug is axicabtagene ciloleucel (approved USAN for KTE-C19) in Japan. Axicabtagene ciloleucel, Kite's lead product candidate, is an investigational therapy in which a patient's T cells are engineered to express a chimeric antigen receptor (CAR) to target the antigen CD19, a protein expressed on the cell surface of B-cell lymphomas and leukemias, and redirect the T cells to kill cancer cells.

As per the terms of the partnership agreement, Daiichi Sankyo will be responsible for development and commercialization of axicabtagene ciloleucel in Japan. Daiichi Sankyo will make an upfront payment to Kite of $50 million and Kite will be eligible to receive future payments totaling up to $200 million for development and commercial milestones. Kite is also entitled to receive sales royalties in the low to mid double digit range.

Not just Daichii Sankyo but many Japanese companies are focusing on oncology. Japan's Takeda Pharmaceutical recently announced a deal buy cancer drug maker Ariad Pharmaceuticals Inc in a deal valued at $5.20 billion, to beef up its oncology pipeline.

Mr Arie Belldegrun, Chairman, President, and Chief Executive Officer of Kite, said, "We are thrilled to partner with Daiichi Sankyo, a market leader in Japan who shares our vision for engineered T-cell therapy and has strong development capabilities in oncology. We have a strategic roadmap to commercialize axicabtagene ciloleucel globally while focusing Kite's development and commercialization efforts in the United States and Europe. Daiichi Sankyo's commitment to bring autologous T-cell therapy to patients in Japan will complement our strategy and demonstrates the significant value in our pipeline, as well as the commercial potential for autologous T-cell therapy globally."

As part of the transaction, Kite will provide certain technical transfer services to Daiichi Sankyo. In addition, Daiichi Sankyo has a certain period of time to license additional Kite product candidates for Japan including KITE-718, Kite's T cell receptor product candidate targeting MAGE-A3/A6 and certain other product candidates that proceed to a U.S. investigational new drug application filing over the next three years. Upfront and milestone payments for each additional product candidate could equal up to $200 million plus low to mid double digit sales royalties. Kite retains all development and commercialization rights outside of Japan.

"We are very enthusiastic about this partnership with Kite which has the most advanced technology platform in this area and the potential for cell-based therapy to change the way in which we treat cancer in Japan," said Koichi Akahane, Japan Head of Oncology R&D, Daiichi Sankyo. "We believe we can leverage the pioneering research conducted by Kite to potentially accelerate development and commercial availability of axicabtagene ciloleucel in Japan for those patients suffering from B-cell malignancies."