



Aug 5, 2019
Gene Techno Science Co., Ltd.
Code: 4584 (TSE Mothers)
Masaharu Tani, President & CEO

Announcement of Accounting Extraordinary Gains on the Sale of Investment Securities
and Extraordinary Losses (impairment losses)

Tokyo, Aug 5, 2019 — In the consolidated financial results for the first quarter of the fiscal year ending March 31, 2020, Gene Techno Science (“GTS”, TSE Mothers 4584) recorded extraordinary gains on sale of investment securities and extraordinary losses (impairment losses).

1. Details of extraordinary gain on sale of investment securities

GTS recorded a gain on sale of investment securities of 4,419 thousand Japanese yen as extraordinary gain as a result of the partial sale of one unlisted domestic stock in investment securities for the purpose of improving the efficiency of funds and reviewing the number of shares held by GTS.

2. Details of extraordinary impairment loss

In April 2019, GTS executed the acquisition of 100% ownership of Advanced Cell Technology and Engineering (ACTE), which owns the dental pulp stem cell business, in order to expand the new biotech business (regenerative medicine / cell therapy) for a future growth driver. An impairment loss of 5,938,083 thousand Japanese yen related to the one-time write-off of goodwill was recorded as an extraordinary loss based on the fact that it was the indispensable investment on our R&D to increase our corporate value.

3. Impact on business performance

Regarding the impact of these extraordinary gains and extraordinary losses on GTS performance, refer to the consolidated financial statements for the first quarter of the fiscal year ending March 31, 2020 published on 5th August.