



June 1, 2018  
Gene Techno Science Co., Ltd.  
Code: 4584 (TSE Mothers)  
Masaharu Tani, President

## Summary of the 6th Series of Stock Acquisition Rights (Private Placement) (with Option to Revise Exercise Price)

Gene Techno Science Co., Ltd. (“GTS”) announced on June 1, 2018, that it will issue stock acquisition rights to Daiwa Securities Co., Ltd. (“Daiwa”). The following is a summary of the announcement.

### Overview of Stock Acquisition Rights

- The number of stock acquisition rights: 15,000- The number of dilutive shares: 1,500,000 shares (100 shares per stock acquisition rights), dilution ratio is 15.68%
- Amount of funds raised (Estimated amount of net proceeds calculated assuming all of the stock acquisition rights is exercised at the initial exercise price.): 3,059,455,000 yen
- Allotment date: June 19, 2018
- Exercise period: 2 years (July 2, 2018 to July 2, 2020)
- Initial exercise price: 2,041 yen (the closing price of May 31, 2018)
- Minimum exercise price: 1,429 yen (70% of the closing price of May 31, 2018)
- Maximum exercise price: N/A
- The exercise price is modified on the day on which each demand to exercise the stock acquisition rights becomes effective (hereinafter referred to as the “modification date”), to the amount equivalent to 92% of the closing price of the ordinary trading of our common share (calculated to the second of decimal place, and rounded up to the first decimal place) on the Tokyo Stock Exchange, Inc. on the trading day immediately preceding the modification date (if no closing price is available on that day, the immediately preceding trading day on which the closing price is available applies). However, when such modified amount falls below the minimum exercise price, the minimum exercise price is deemed to be the exercise price after the modification.
- Others  
GTS plans to conclude a contract to purchase the share options and a commitment contract with Daiwa. The commitment contract stipulates the following contents.
  - Request by GTS to Daiwa to exercise the stock acquisition rights : One of the conditions is that GTS can request Daiwa is that the share price exceeds 120% of minimum exercise price (1,715 yen)

- Suspension by GTS of exercising the stock acquisition rights
- Request by Daiwa to GTS to acquire the share options
- No transfer of ownership of the stock acquisition rights without the consent of GTS Board of Directors

Note: The number of shares, initial exercise price and minimum exercise price of the 6<sup>th</sup> series of stock acquisition rights will be adjusted based on the ratio of stock split (1 for 2) resolved at the extraordinary meeting of the Board of Directors on June 1, 2018 as follows;

- Number of shares: 3,000,000 shares
- Initial exercise price: 1,020.5 yen
- Minimum exercise price: 714.5 yen

#### Purpose of Issuance of Stock Acquisition Rights

GTS will strengthen a business infrastructure as “Biotech Engineering Company, striving for value creation” by applying the proceeds from the exercise of stock acquisition rights as follows

Use of proceeds	Amount ¥million	Spending time frame
Biosimilars Business		
1. Finalization of manufacturing method, preparation for supplying products for commercialization and preparation of application for the marketing authorization for three products among GBS-002 - 011	1,350	April, 2019 - December, 2022
2. Development of manufacturing process, quality test and pre-clinical trial for new biosimilars (1-2 products)	650	April, 2019 - March, 2022
New Biologics & New Biotech Business		
3. Research and development of existing new biologics portfolio, in-licensing of new biologics and exploring new biotech business (regenerative medicine)	1,059	April, 2019 - March, 2023

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