

Gene Techno Science

**~For the children longing for
a new medical treatment~**

**Establishment of manufacturing process for the master cell bank
and business alliance with Mochida Pharma**

A new financing for driving JRM-001 project

March 23, 2020

Cautionary Statement

This information material is provided for understanding Gene Techno Science (“GTS”), not for soliciting investment in GTS shares.

Information provided in this material may contain so-called “forward looking statements”. These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties, which could cause actual outcomes and results to differ materially from these statements. Risks and uncertainties include success ratio of R&D projects, new regulations, and rules, relations with partners in the future, etc.

Summary of today's announcement

- **Business Alliance with Mochida Pharmaceutical, Co., Ltd.**
 - Collaborative R&D for some of rare and intractable diseases in gastrointestinal area such as Congenital Isolated Hypoganglionosis by using SHED (Stem cells from human exfoliated deciduous teeth)
- **Issuance of 3rd series of convertible bond/10th series of stock acquisition rights**
 - 1.38 billion yen financing in total by issuing the CB(600 million yen, 3.25 years) and warrants (780 million yen equivalent, 4.25 years)
 - Initial reference price: 479 yen
 - Semi-annual reset (only 1st one will occur 9 months after the closing)
 - Used for the clinical trial of JRM-001 and expanding business into allogenic therapy and overseas opportunities
 - Investor: CVI Investments, Inc. (Heights Capital Management)
 - Maximum potential dilution ratio : 14.93%

Our Strategic Direction in GTS 3.0

GTS 3.0

**Biotech Engineering Company,
striving for value creation**

– Aiming at providing comprehensive healthcare solutions for patients as well as families and caregivers -



**Explore new business opportunities
by providing a healthcare solution for
the therapeutic areas where a current
solutions is insufficient**

Our Focus

- ❖ Pediatric disease (including juvenile one)
- ❖ Orphan disease
- ❖ Intractable disease
- ❖ Asia-endemic disease

Creation of new medical treatments by new biotech business (Regenerative medicine/Cell Therapy)

Creating new regenerative medicine asap for children longing for new medical treatment

■ Recent Event Update

Event	Key Points
<p>1. Establishment of master cell bank (MCB) manufacturing process</p>	<ul style="list-style-type: none"> • Establishment of appropriate culture method for SHEDs • Increased possibilities of various regenerative medicine drugs • Acceleration of alliances with business partners and academia
<p>2. Business Alliance with Mochida Pharmaceutical, Co., Ltd.</p>	<ul style="list-style-type: none"> • Collaborative R&D for some of rare and intractable diseases in gastrointestinal area such as Congenital Isolated Hypoganglionosis by using the MCB • Collaboration by using each strength
<p>3. Financing for driving JRM-001</p>	<ul style="list-style-type: none"> • 1.38 billion yen financing in total by issuing the CB(600 million yen, 3.25 years) and fixed warrants (780 million yen equivalent, 4.25 years) semi-annual reset, original reference price: 479 yen • For the clinical trial of JRM-001 • Expanding business into allogenic therapy and overseas opportunities

For the children longing for a new medical treatment

Infrastructure (Establishment of MCB manufacturing process for SHEDs)

- Manufacture and supply products with high efficacy and safety in a stable manner.
- Accelerate the collaboration with academic and business partners by having cells as the basis for developing various kinds of regenerative medicine products.

Partners (R&D of regenerative medicines using MCB)

- Collaborative R&D for some of rare and intractable diseases in gastrointestinal area such as Congenital Isolated Hypoganglionosis by using the MCB.
- Accelerate the development for launching the products from GTS R&D portfolio (bone-related, ophthalmology, cerebral palsy, peripheral nerve palsy, spinal cord injury, and so on).

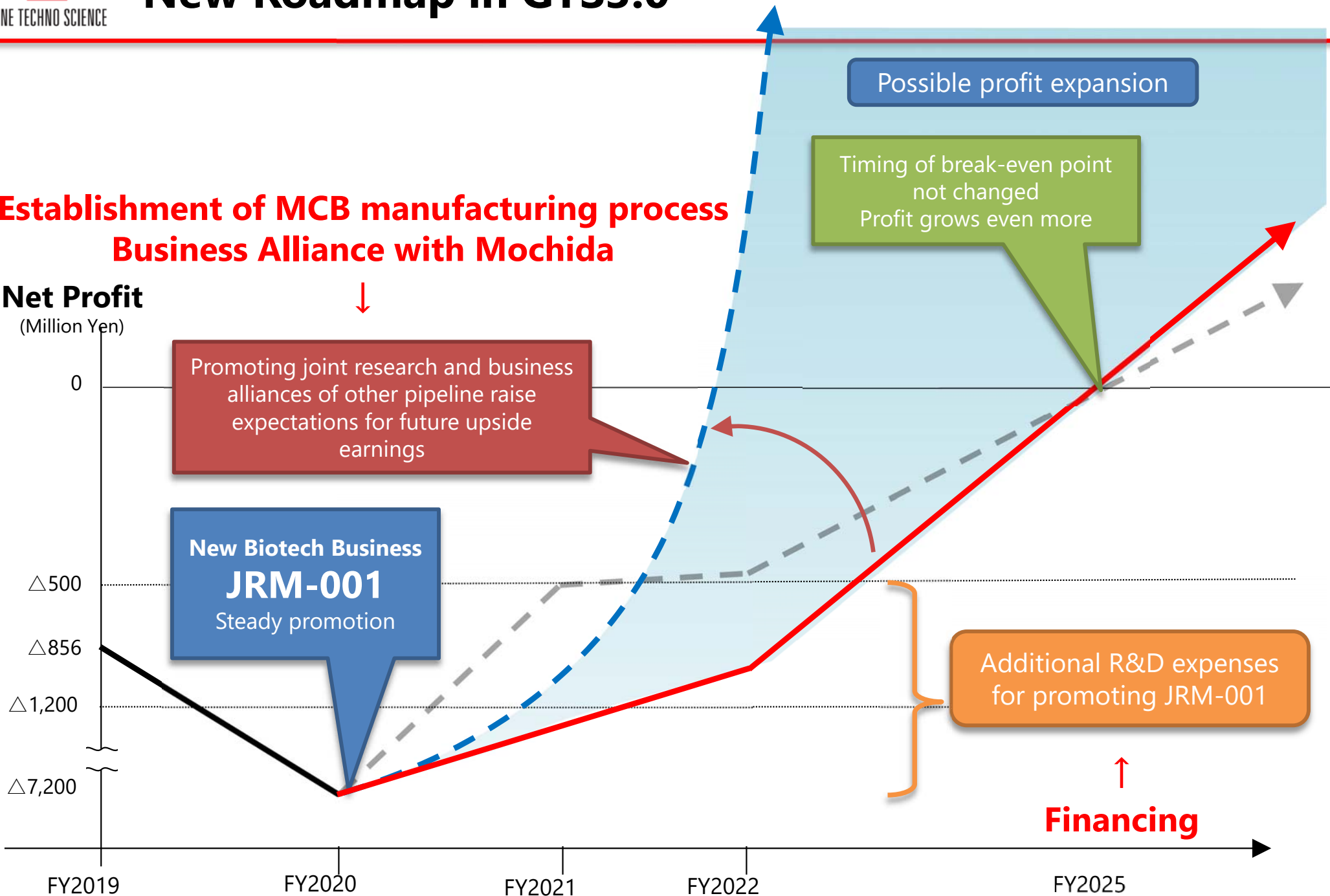
Resources (Financing of financial resources for JRM-001 clinical trial)

- Make sure to deliver a new medical treatment **by using cardiac stem cells** to patients/children with congenital heart disease.
- Drive allogenic therapy and seek overseas opportunities for more and more patients/children.

New Roadmap in GTS3.0

Establishment of MCB manufacturing process
Business Alliance with Mochida

Net Profit
 (Million Yen)



Promoting joint research and business alliances of other pipeline raise expectations for future upside earnings

New Biotech Business
JRM-001
 Steady promotion

Possible profit expansion

Timing of break-even point not changed
 Profit grows even more

Additional R&D expenses for promoting JRM-001

Financing

GTS3.0 Business Portfolio

Full commitment to JRM project

Cell Therapy

Stem cells from Human Exfoliated Deciduous Teeth (SHEDs)

ORTHOREBIRTH
Cleft-lip/cleft-palate

Mochida Pharma ^{NEW}
Congenital Isolated
Hypoganglionosis

Showa Univ
Bone-related

Gifu Pharmaceutical
Univ.
Ophthalmology

Joint research with ^{NEW}
3 institutes
Cerebral palsy

Oita Univ. ^{NEW}
Peripheral Nerve Palsy

Nagoya Univ. ^{NEW}
Spinal Cord Injury

Cardiac Stem Cells (CSCs)

JRM-001 ^{NEW}
Hypoplastic Left Heart Syndrome
/Single Ventricle Heart Defects

Business Alliance

Nikon

Showa Univ.

SPI ^{NEW}

Eil ^{NEW}

Dojin

SOLA

chromo-center

GPC

Antibody drug

Biosimilar

GBS-001
Cancer

GBS-007
Ophthalmology

GBS-011
Renal

GBS-004
Cancer

GBS-008
Infectious
disease

Kishi Kasei ^{NEW}
GBS-012
Ophthalmology

GBS-005
Immunological
disease

GBS-010
Cancer

New Biologics/Manufacturing

GND-001
Cancer

Sapporo Medical Univ. ^{NEW}
Cancer

GND-004
Ophthalmology

MabGenesis ^{NEW}
Cancer

GND-007
Immunological
disease

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