

Additional investment in Curadim Pharma Co., Ltd., a pipeline-type drug-discovery venture that develops new drugs for intractable diseases

- Developing new drugs by spinning out promising seeds from domestic pharmaceutical companies.
- Providing innovative new drugs for intractable diseases in the immunity region with high unmet medical needs

Tokyo, June 4, 2018- Innovation Network Corporation of Japan (INCJ) hereby announces that in line with the business progress of Curadim Pharma Co., Ltd. (Curadim Pharma), a venture business that develops new drugs for intractable diseases, INCJ decided to provide support of up to JPY1.2 billion by purchasing the shares of Curadim Pharma issued through third-party allocation and has actually executed an additional investment of JPY900 million. Further, in addition to SMBC Venture Capital Co., Ltd., an existing shareholder of Curadim Pharma, DBJ Capital Co., Ltd. and Yamaguchi Capital Co., Ltd. have newly participated in the investment. The funding will be used for research and development of new drugs.

Curadim Pharma is a pipeline-type drug-discovery venture that introduces promising drug discovery seeds from domestic pharmaceutical companies and specially carries out activities from nonclinical trials to early clinical developments. In recent years, more and more cases have arisen in which developments of seeds that have traditionally been carried out by domestic pharmaceutical companies are interrupted due to various reasons such as changes in business strategies in those companies. As a result, less and less drug seeds identified in Japan are being tuned into practical applications. In response to this issues, Curadim Pharma was established on June 29, 2016 under the initiative of INCJ with the aim of developing innovative new drugs in Japan by spinning out promising seeds identified in domestic pharmaceutical companies that are yet to be uncovered, and thereby contributing to the treatment of presently intractable diseases especially in the immunity region with high unmet medical needs.

Curadim Pharma is promoting the development of treatment drugs for autoimmune diseases including multiple sclerosis*¹ using sphingosine 1-phosphate (S1P) receptor modulator (development code: CP1050), a compound introduced from Meiji Seika Pharma Co., Ltd. (company-designated compound No. CP9531). After the introduction, Curadim Pharma carried out necessary nonclinical studies and has implemented a phase 1 clinical trial in England in February 2018. This trial is aimed at confirming the safety and tolerability of CP1050 in healthy adults.

*¹ Multiple sclerosis (MS) is a disease in which the myelin sheath protecting the central nervous system such as the brain and the spinal cord is destroyed to impair the neurotransmission. It is designated as intractable by the Ministry of Health, Labor and Welfare, Japan.

Further, as it continues to uncover seeds that are buried in domestic pharmaceutical companies, in March 2018, as a second pipeline, Curadim Pharma entered into a license agreement on lysophosphatidic acid receptor Type 1 (LPA1) selective antagonist (development code: CP2090), a new drug candidate compound for treating

idiopathic pulmonary fibrosis (IPF) created by Ube Industries, Ltd. and acquired exclusive right to develop new drugs. IPF is a type of interstitial pneumonia of unknown cause and it is a disease with extremely poor prognosis with an average survival period of 3 to 5 years after diagnosis. It is designated as intractable by the Ministry of Health, Labor and Welfare, Japan. Curadim Pharma plans to start nonclinical trial compliant with GLP² in the near future.

²GLP: Short for "Good Laboratory Practice". It is a set of principles intended to assure the reliability of data through proper implementation of non-clinical safety studies.

With a high hope of contributing to the treatment of diseases in the immunity region that have high unmet medical needs through the provision of innovative drugs developed by Curadim Pharma, in August 2016, INCJ decided to provide support of up to JPY1 billion and executed the investment of the same amount in Curadim Pharma. Meanwhile, Curadim Pharma has been steadily promoting business with high expertise and speed. Based on the achievements of the company, INCJ has now decided to provide additional support of up to JPY1.2 billion, and has executed the investment of JPY900 million. By supporting Curadim Pharma, INCJ aims to create a new model case in the pharmaceutical industry, and to accelerate open innovation by encouraging the mobilization of research technologies and human resources.

About Curadim Pharma Co., Ltd.

Established:	June 2016
Business Outline:	Research and development of medical drugs
Headquarters:	Chiyoda-ku, Tokyo Japan
Representative:	Tetsu Uchigasaki
URL:	http://curadim.co.jp/

About Innovation Network Corporation of Japan (INCJ)

INCJ was established in July 2009 as a public-private investment company that provides financial, technological and management support for next-generation businesses. INCJ specifically supports those projects that combine technologies and varied expertise across industries and materialize open innovation. INCJ has the capacity to invest up to JPY2 trillion (approx. US\$20 billion).

INCJ's management team is drawn from the private sector with diverse experience in investment, technologies and management. Through its Innovation Network Committee, INCJ assesses investment opportunities that contribute to industrial innovation in Japan in line with criteria set by the government.

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Overview of additional investment decision

1. **Target: Curadim Pharma Co., Ltd.**

- Established : June 2016
- Representative : Tetsu Uchigasaki
- Headquarters : Chiyoda-ku, Tokyo Japan
- Business Outline: : Research and development of medical drugs

2. **Outline of Decision on Support**

- Authorized Investment : JPY1.2 billion (maximum)
- Amount invested : JPY900 million
- Announcement of date : June 4, 2018
- Co-Investors (Series B) : SMBC Venture Capital Co., Ltd., DBJ Capital Co., Ltd. and Yamaguchi Capital Co., Ltd.
- Previous decision on support
Series A:
 - Announcement of date : August 2016.
 - Authorized Investment : JPY1 billion (maximum), Amount invested : JPY1 billion,
<https://www.incj.co.jp/news/assets/1473224668.01.pdf>
- Investment structure diagram : See appendix

3. **Significance of investment**

Supporting social needs:

- To create a new model case where promising seeds that were thrown outside the business domains of domestic pharmaceutical companies as a result of changes in their business strategy are taken in and developed by venture companies.
- To contribute establishing an ecosystem in the life science field by creating cases where pharmaceutical and bio venture companies collaborate to promote the development of new drugs.
- To provide new drugs for the treatment of intractable diseases including multiple sclerosis treatment drugs to contribute to filling unmet medical needs.

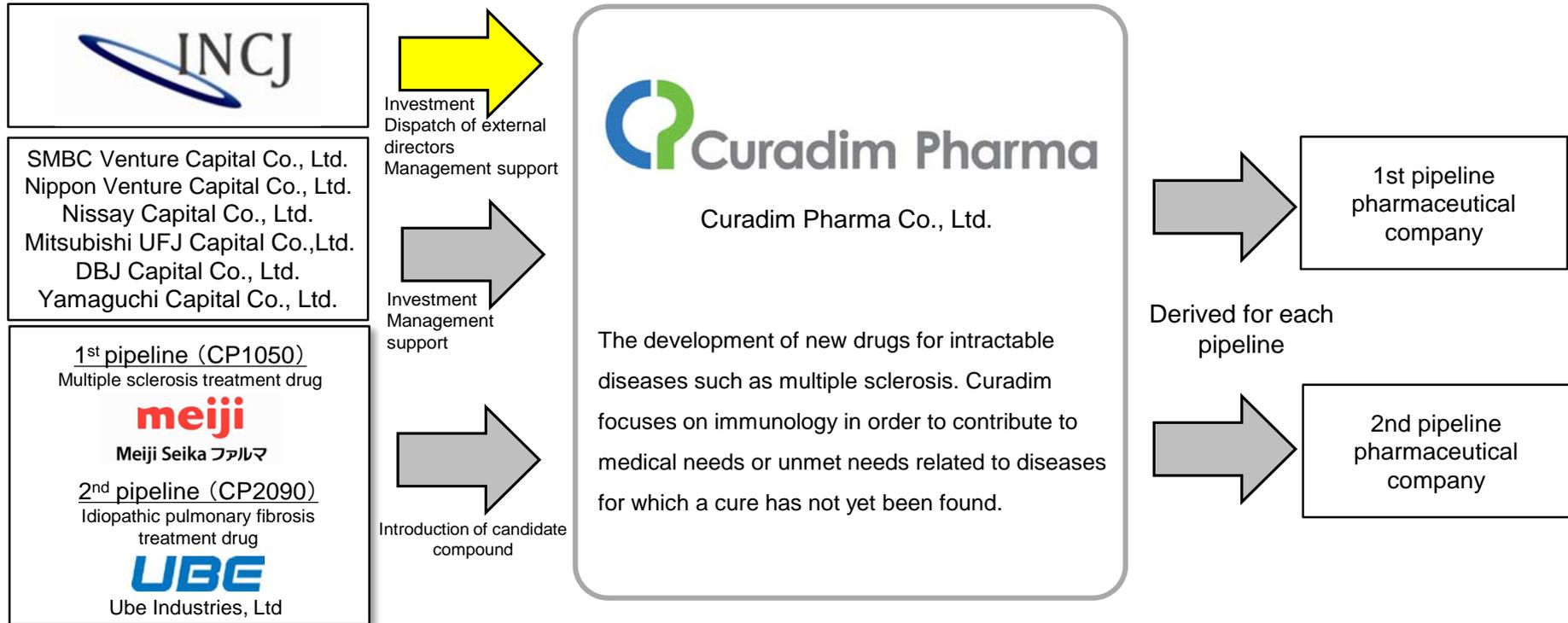
Growth potential:

- To provide innovative new drugs for intractable diseases with high unmet medical needs.
- Leveraging its multiple pipelines, Curadim Pharma is continuously promoting new drug development business.

Innovation:

- To support the ventures spinning out of domestic pharmaceutical companies to create a new model case which has less precedents in Japan.

Target : Curadim Pharma Co., Ltd.
Outline : R&D of pharmaceutical products
Investment : JPY 1 billion (maximum) / JPY 1.2 billion (maximum)
Announcement date of Investment : August 4, 2016 / June 4, 2018



- Promote the creation of a new model case by providing support for spin-out ventures from the establishment stage in order to contribute to the development of early stage seeds from domestic pharmaceutical companies
- Aim to promote open innovation by mobilizing resources and technological research in the pharmaceutical industry
- Contribute towards solving societal issues by providing innovative pharmaceutical products for intractable diseases with high unmet medical needs