News Release

INCJ to make additional investment in Megakaryon

Tokyo, March 23, 2015–Innovation Network Corporation of Japan ("INCJ") announced today a decision to make an additional investment of up to ¥2 billion in Megakaryon Corporation ("Megakaryon"), a company aiming to develop clinical applications for technology to produce platelets from iPS cells and to commercialize platelet preparations that are not dependent on blood donations. The investment by third-party share allotment will provide Megakaryon with Series-B financing in line with the development of its business.

Megakaryon will also receive investment from funds operated by existing Megakaryon shareholders SMBC Venture Capital, Mitsubishi UFJ Capital Co., Ltd., Mizuho Capital Co., Ltd. Japan Asia Investment Co., Ltd., DBJ Capital Co., Ltd., Nissay Capital Co., Ltd., KSP, Inc., and Miyako Capital.

Megakaryon is a venture company established in 2011 with the aims of developing clinical applications for proprietary technology, through which red blood cells and platelets can be produced from iPS cells, and of developing practical applications for platelet preparations derived from human iPS cells. On March 11, 2015, the Kansai area Council on National Strategic Special Zones approved Megakaryon as the zone's first special core business. This was confirmed by the Prime Minister of Japan on March 19.

Combined with the investment of ¥1 billion announced on August 26, 2013, this investment brings the total amount INCJ has committed to investing in Megakaryon to a maximum of ¥3 billion.
In addition to providing Megakaryon with needed capital, INCJ will also provide management support through access to its network and through the dispatch of external directors. INCJ will continue to support the practical application and stable supply of platelets derived from iPS cells. Moreover by making Megakaryon into a successful example of a Japanese bio-venture, INCJ is contributing to the establishment of a bio-venture industry ecosystem in Japan.

About Megakaryon Corporation

Megakaryon was established in September 2011 with the aim of developing clinical applications for technology that immortalizes megakaryocytes derived from human iPS cells as well as platelet preparations produced by human iPS cell-induced megakaryocytes,

based on technology for the freezing preservation of the immortalized megakaryocytes. The technology was developed by Professor Hiromitsu Nakauchi of The Institute of Medical Science, The University of Tokyo and Professor Koji Eto of the Center for iPS Cell Research and Application, Kyoto University.

Megakaryon develops clinical applications for production technology for platelets derived from human iPS cells and provides to the global market this expertise as well as human iPS-cell-derived platelet preparations that; 1. are not dependant on blood donations, 2. make planned and stable supply possible, 3. eliminate the danger of pathogen contamination, and 4. reduce medical costs. The company will pursue international expansion of safe and secure Japanese regenerative medical technology using human iPS cells.

Location of headquarters: Sakyo-ku, Kyoto, Japan
President & CEO: Genjiro Miwa
URL : http://www.megakaryon.com/

About Innovative Network Corporation of Japan (INCJ)

INCJ was established in July 2009 as a public-private partnership 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 ¥2 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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Reference
INCJ issued the following press release in Japanese on August 26, 2013.

INCJ to invest in Megakaryon

Bio-venture aims to commercialize platelet preparations in the field of iPS cells in which Japan is a world leader

Tokyo, August 26, 2013–Innovation Network Corporation of Japan ("INCJ") announced today a decision to invest Megakaryon Corporation ("Megakaryon"), a company aiming to to develop clinical applications for technology to produce platelets from iPS cells and to supply to clinical sites platelet preparations that are not dependent on blood transfusions. The investment by third-party share allotment will provide Megakaryon with ¥1 billion in capital required for the development of mass-production technology and for early-stage drug development.

Megakaryon will also receive investment by third-party share allotment from funds operated by SMBC Venture Capital, Mizuho Capital Co. Ltd., and Mitsubishi UFJ Capital Co., Ltd.

Platelet preparations have been used to treat thrombocytopenia and bleeding disorders resulting from cancer treatment and are a basic medical tool. Nevertheless, due to the reliance on blood donations as a source of platelets, and their short shelf life of approximately four days, platelets are in chronically short supply despite their importance in medicine. It is estimated that by 2027, approximately one million blood donors will be required to make up the shortfall.

In nations with underdeveloped medical systems and in some developed nations, there have been instances of payments for blood donations, and it has not been possible to eliminate the risk of secondary bacterial or viral infection in patients who have been administered platelet preparations. By making the planned, safe and secure supply of platelets possible, Megakaryon has eliminated the danger of contamination by pathogens and now aims to provide iPS-cell-derived platelet preparations to medically advanced nations that are facing blood donation shortages and to medically underdeveloped nations whose blood donation systems are insufficient.

Megakaryon's core management team of founder, President & CEO Genjiro Miwa and COO Kenichi Akamatsu—who joined Megakaryon from a leading pharmaceutical company—as well as scientific advisor Professor Hiroyuki Eto of the Center for iPS Cell Research and Application, which is led by Professor Shinya Yamanaka of the University

of Kyoto (also a medical advisor) bring a wealth of experience in drug development and a world-class iPS cell research framework. Already, through joint research with the University of Tokyo and Kyoto University, Megakaryon has produced human iPS-cell-derived platelets on a laboratory scale, which have been administered to laboratory animals in ongoing preclinical trials to determine their safety and effectiveness.

In addition to providing Megakaryon with needed capital as lead investor, INCJ, which aims to create drugs through open innovation, will also provide management support such as the dispatch of external directors, guidance from scientific advisors, and the establishment of a business framework.

The aim of this investment is to give shape to the research and development of iPS cells, an area in which there is close cooperation in Japan among industry, academia, and government, and in which Japan is leading the world.
Furthermore, through this investment INCJ is not only providing pump-priming for future funding of Japanese bio-ventures, but is also contributing to the activation of Japan's life sciences industry by creating a business environment that promotes the practical application of iPS cells.

(Source: INCJ published materials, August 26, 2013)

Megakaryon

*Induced pluripotent stem cells

Target: Megakaryon Corporation
Outline: Development of platelet preparations using human induced pluripotent stem (hiPS) cells
(The platelet-preparation technology is not reliant on donated blood. It (1) can produce a stable supply of platelets, (2) has a high safety profile, and (3) makes low-medical-cost blood transfusions possible)
Authorized investment : ¥3 billion (maximum)

Investment
Management support

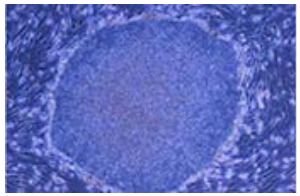
INCJ

- SMBC Venture Capital Co., Ltd
- Mitsubishi UFJ Capital Co., Ltd
- Mizuho Capital Co., Ltd.
- Japan Asia Investment Co., Ltd
- DBJ Capital Co., Ltd
- Nissay Capital Co., Ltd
- KSP, Inc.
- Miyako Capital

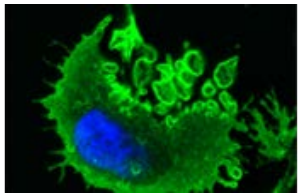
Investment

Megakaryon

●**Outline**
Development, manufacture, and marketing of platelet preparations derived from iPS cell lines



iPS cell



Platelets produced by megakaryocyte

Joint research and development
Technology transfer

- Kyoto University (Center for iPS Cell Research and Application)
- The University of Tokyo (Institute of Medical Science)

- One of a small number of venture companies taking up the challenge of commercialization in the field of iPS cells, in which Japan is a world leader
- Artificially produced platelet preparations can overcome supply constraints and the risk of viral infection associated with dependence on donated blood