News Release

INCJ revokes decision to support Curadim Pharma

Tokyo, **October 1, 2019**— INCJ, Ltd. ("INCJ") announced it has revoked its decision to support Curadim Pharma Co., Ltd. ("Curadim Pharma"), a company that develops new drugs for intractable diseases. The revocation is in response to Curadim Pharma's decision to dissolve the company and no longer conduct specific business activities as stipulated in the former Industrial Competitiveness Enhancement Act (Act No. 98 of 2013)*.

*INCJ, Ltd., since being newly established on separation from the former Innovation Network Corporation of Japan, has continued to operate under the same framework of the former Industrial Competitiveness Enhancement Act with the conditions of the company split approved by the Ministry of Economy, Trade, and Industry (METI).

About Curadim Pharma Co., Ltd.

Established: June 2016
Headquarters: Chiyoda-ku, Tokyo
CEO: Tetsu Uchigasaki
Business outline: Research and development of medicines
URL: http://curadim.co.jp/en/

About INCJ, Ltd.

INCJ, Ltd. was established in September 2018 via company split from Innovation Network Corporation of Japan (INCJ). INCJ was established in July 2009 with the aim of overcoming boundaries between companies and industries, creating and nurturing key industries via open innovation for the prosperity of future generations. Following revisions to its governing law—the Industrial Competitiveness Enhancement Act—the continuing company changed its name to Japan Investment Corporation (JIC) and began new activities. INCJ, Ltd. is mandated until March 2025 to pursue the activities of the original Innovation Network Corporation of Japan, engaging in "Value Up" initiatives at portfolio companies, making additional and milestone investments, and developing exit strategies from investments in portfolio companies.
URL: http://www.incj.co.jp/english/

Appendix

Target: Curadim Pharma Co., Ltd.

Established: June 2016

Headquarters: Chiyoda-ku, Tokyo

CEO: Tetsu Uchigasaki

Business outline: Research and development of medicines

Overview of investment

Authorized investment: JPY 2.2 billion (maximum)

Amount invested: JPY 1.9 billion

Details of previous investment:

- Investment announcement: August 4, 2016
  Authorized investment: JPY 1 billion (maximum)
  Amount invested: JPY 1 billion
  Press release: INCJ announces drug candidate licensing, investment in Curadim Pharma Co., Ltd. New company to develop new drugs for treatment of intractable diseases
  https://www.incj.co.jp/english/newsroom/upload/docs/4790c73eb5daa61311397de07da803acac11b95d.pdf
- Investment announcement: June 4, 2018
  Authorized investment: JPY 1.2 billion (maximum)
  Amount invested: JPY 900 million
  Press release: Additional investment in Curadim Pharma Co., Ltd., a pipeline-type drug-discovery venture that develops new drugs for intractable diseases
  https://www.incj.co.jp/english/newsroom/upload/docs/E_PressRelease_INCJ_Curadim_20180604.pdf

1. Background of the investment

- Despite having promising seeds of pharmaceutical drug discovery, some Japanese pharmaceutical companies are forced to review their business strategies and suspend drug development due to significant risks in early-stage development. As a result, some of these seeds lie dormant within the company.
- Curadim Pharma is a drug discovery venture that was established in June 2016 with the aim of developing new drugs in early stages by spinning out these dormant drug discovery seeds from domestic pharmacies. Curadim Pharma's mission is to 'uncover dormant drug discovery seeds in Japan' and to 'develop new medicines for intractable diseases.'
- Through its involvement with Curadim Pharma, INCJ has contributed to treatment for autoimmune system disorders with high unmet medical needs. In August 2016, INCJ

invested JPY 1 billion in Curadim Pharma with the expectation that a new business model would be created in which pharmaceutical companies and bio-ventures collaborate to promote the development of new drugs.

2. Business progress

- Curadim Pharma introduced a pharmaceutical candidate compound to treat multiple sclerosis (development code: CP1050) from Meiji Seika Pharma Co., Ltd. as its first pipeline compound, and afterwards introduced a pharmaceutical candidate compound to treat idiopathic pulmonary fibrosis (development code: CP2090) from Ube Industries Ltd. as its second pipeline compound.
- CP1050 performed strongly in non-clinical studies and as it began Phase I clinical trials, INCJ invested an additional JPY 900 million from a maximum amount of JPY 1.2 billion in June 2018. However, despite expectations for CP1050 to prove superior to current drugs, safety was not confirmed in the Phase I trial. Curadim Pharma explored potential development by changing the compound’s indication, but due to a lack of efficacy, the company decided to discontinue development of CP1050 in January 2019.

3. Reason for exit

- In its initial business plan, Curadim Pharma aimed to satisfy IPO requirements by obtaining clinical POC for CP1050 while pursuing clinical trials of CP2090. However, due to CP1050’s development suspension, business plans had to be reconsidered.
- By further considerations, Curadim Pharma determined that it would be unfeasible to continue operating until it achieved its original aims. As such, at an Extraordinary General Meeting of shareholders on September 30, 2019 the decision was taken to dissolve the company.
- According to this decision, INCJ decided to revoke to support for Curadim Pharma. Although the company did not become a model case for spinout ventures from domestic pharmaceutical companies, through this investment, INCJ considers Curadim Pharma is seen to have made certain contributions to the creation of new business models in Japan.

<Press Contacts>
Japan Investment Corporation
Communications Office: Irie, Sakai
Tel. (03) 5218-7202