



November 6<sup>th</sup>, 2020

To whom it may concern:

Company Name:  **TAIYO HOLDINGS CO., LTD.**  
 Representative: Eiji Sato, President and CEO  
 (Code: 4626, Listed on First Section of Tokyo Stock Exchange)  
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**Notice regarding conclusion of contract with Gene Therapy Research Institution Co., Ltd. to manufacture gene therapy products**

TAIYO HOLDINGS CO., LTD. (hereinafter, "Taiyo Holdings") hereby announces that its subsidiary TAIYO PHARMA TECH CO., LTD. (hereinafter, "Taiyo Pharma Tech") has concluded a partnership agreement with Gene Therapy Research Institution Co., Ltd. (hereinafter, "Gene Therapy Research Institution") to manufacture gene therapy products.

1. Purpose of concluding the contract to manufacture gene therapy products

Aiming to become a comprehensive chemical company, we have been aggressively developing not only the electronic materials business but also the medical and pharmaceuticals business. In October 2019 after acquiring the Takatsuki Plant from Daiichi Sankyo Propharma Co., Ltd., Taiyo Pharma Tech entered the contract manufacturing business. Also, in October 2020 we signed a comprehensive partnership agreement with Cyfuse Biomedical K.K for manufacturing cell products and thereby aim to enter the cell product contract manufacturing business.

Currently research on various gene therapies is progressing all over the world and gene therapy products that are covered by insurance in Japan are beginning to be used in clinical practice. In the future, innovative gene therapy products are expected to have epoch-making effects on intractable diseases for which there is no cure and on diseases for which therapeutic agents exist.

The Gene Therapy Research Institution is a company that develops gene therapy technology originating in Japan and that researches, develops and manufactures gene therapy agents by using AAV (adeno-associated virus) ※1 as a vector (nucleic acid molecule that carries DNA into cells or nuclei) to carry therapeutic genes. In December 2019 after concluding a capital and business alliance with Gene Therapy Research Institution, both companies have been working to build gene therapy product manufacturing facilities through this alliance.

Under this contract, we plan to receive technology from the Gene Therapy Research Institution and to build a gene therapy product manufacturing facility at Taiyo Pharma Tech's Takatsuki Plant, which has a track record of manufacturing pharmaceuticals for more than 85 years, thereby starting the contract manufacturing business for gene therapy product. By doing this we will accelerate the business development of our medical and pharmaceuticals business and at the same time contribute to the development of domestic gene therapy products and to improve the health of patients.

2. Overview of Gene Therapy Research Institution

(1) Name	Gene Therapy Research Institution Co., Ltd.
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(2) Location	25-22, Tonomachi 3-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa	
(3) Representative Title/Name	Katsuhito Asai, Representative Director & President	
(4) Business Overview	Development and manufacturing of gene therapy products by using the AAV (adeno-associated virus) vector	
(5) Capital	147.5 million yen (as of July 2020)	
(6) Established Date	May 16th, 2014	
(7) Major shareholdings and equity interest	This information is not disclosed per the agreement	
(8) Relationship between Taiyo Holdings and Gene Therapy Research Institution	Capital relationships	Taiyo holdings owns issued shares of Gene Therapy Research Institution, but will refrain from disclosing the details based on the agreement
	Personal relationships	Not applicable
	Transactional relationships	Capital and business alliance
	Status in relation to interested parties	Not applicable

### 3. Overview of Taiyo Pharma Tech

(1) Name	TAIYO Pharma Tech Co., Ltd.
(2) Location	4-38, Aketa-cho, Takatsuki-shi, Osaka
(3) Representative Title/Name	Eiji Sato, President and CEO
(4) Business description	Contract manufacturing of pharmaceuticals
(5) Capital	300 Million yen
(6) Established date	April 25, 2019
(7) Major shareholder and equity ratio	Taiyo holdings 100%

### 4. Agreement

(1) Contract date	November 6 <sup>th</sup> , 2020
(2) Contract(Amount)	This information is not disclosed per the agreement

### 5. Future forecast

The impact of this establishment on consolidated Business Results for the fiscal year ending March 2021 will be minor. However, we will provide prompt notice if any events that should be disclosed arise.

※1 AAV (adeno-associated virus)

Gene therapy at the Gene Therapy Research Institution uses AAV as a vector to introduce therapeutic genes into nerve cells. AAV is derived from a non-pathogenic virus, it is highly safe because it is unlikely to be incorporated into the chromosome, it has high gene expression efficiency and it has the advantage of reducing the burden on patients by delivering long-term effects via single administration.