

June 13, 2019

Company Name: HEALIOS K.K.
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Chairman & CEO
(TSE Mothers Code: 4593)
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Announcement of the Consideration of Fund Establishment

HEALIOS K.K. (hereinafter referred to as “Healios”) announces that it has decided to consider the establishment of an Investment Limited Partnership (hereinafter referred to as the “Fund”), which specifically invests in the bioscience industry.

Apollo Capital Partners Ltd. (hereinafter referred to as “ACP”), the majority of which is owned by Healios, plans to invest in a limited liability partnership (hereinafter referred to as the “LLP”), and the LLP shall become the general partner (GP) of the Fund. Dr. Stephen Phua, a health care industry veteran who has played a key role in the investment team of Pavilion Capital, a Temasek Group related asset manager, will join as a member of the board of directors of ACP.

The Fund shall be a closed-end fund with a capital call structure, with a target size of approximately 10 billion yen. Healios plans to invest in the Fund as a limited partner (hereinafter referred to as “LP”). The Fund will seek several other LPs in addition to Healios. The Fund will invest in order to promote the growth of bioscience companies in and outside Japan, with anticipated investments of approximately 1 billion yen on average.

In addition to targeting investment returns from compelling investment opportunities in bioscience companies, Healios anticipates the Fund operation will provide it with high quality information and data. In addition, by providing strategic financing to companies with technologies and methods complementary to Healios programs, we envision the Fund fostering collaboration opportunities supportive of business and technological progress. Furthermore, the Fund may invest in certain early stage technologies being developed by Healios, advancing these promising technologies while enabling Healios to concentrate financial and human resources on its later-stage pipeline.

The establishment of the Fund will contribute to progressing the business of Healios, improving financial efficiencies, and expanding alliance opportunities.

About the Fund

- (1) Name: Apollo Capital Partners Fund I L.P. (plan)
- (2) Address: Minato-ku, Tokyo (plan)
- (3) Established: The second half of 2019 (plan)
- (4) Size of Fund: Approximately 10 billion yen (plan)
- (5) Period of Fund: 10 years (plan)
- (6) Target Investment: Bioscience companies in and outside Japan

<Prospects>

ACP plans to enter into a service agreement with the Fund and become a consolidated subsidiary of Healios after the establishment of the Fund. ACP will receive service fees for managing assets of the Fund, and it is expected that the service fees will become consolidated sales of Healios.

The matters that may affect results of the fiscal year of 2019 will be disclosed promptly if necessary.