

July 11, 2019

Company Name: HEALIOS K.K.  
Representative: Hardy TS Kagimoto,  
Chairman & CEO  
(TSE Mothers Code: 4593)  
Contact: Masanori Sawada,  
Executive Officer, CMO in charge of administrative field  
(TEL: 03-5777-8308)

**Announcement of Determination of the Issue Price and Other Matters for the Issuance of New Shares  
and Terms of Issue and Other Matters of Zero Coupon Convertible Bonds due 2022  
Through an International Offering**

HEALIOS K.K. (the “Company”) hereby announces the determination of the issue price and other matters in connection with the issuance of new shares and the determination of the terms of issue and other matters in respect of the issuance of Zero Coupon Convertible Bonds Due 2022, being bonds with stock acquisition rights (*tenkanshasaigata shinkabu yoyakuken-tsuki shasai*), through an offering pursuant to Regulation S under the U.S. Securities Act of 1933, as resolved at the executive officers meeting held on July 10, 2019, as follows.

**1. Issuance of New Shares through International Offering (the “Share Offering”)**

|   |   |                           |
|---|---|---------------------------|
| (1) Issue Price (Offer Price)   |   | <u>¥1,540 per share</u>   |
| (2) Total Amount of Issue Price   |   | <u>¥3,000,074,000</u>     |
| (3) Amount to be Paid   |   | <u>¥1,454.4 per share</u> |
| (4) Total Amount to be Paid   |   | <u>¥2,833,316,640</u>     |
| (5) Amount of Stated Capital<br>and Additional Paid-in<br>Capital to be Increased | <u>Amount of Stated Capital to be Increased</u>                 | <u>¥1,416,658,320</u>     |
|   | <u>Amount of Additional Paid-in Capital to be<br/>Increased</u> | <u>¥1,416,658,320</u>     |
| (6) Date of Payment   |   | <u>July 26, 2019</u>      |

Note: The underwriter will purchase and underwrite the shares at the amount to be paid and offer the shares at the issue price (offer price).

**2. Issuance of Zero Coupon Convertible Bonds through an International Offering (the “Bond Offering” and together with the Share Offering, the “International Offering”)**

|  |               |
|--|---------------|
| (1) Conversion Price   | <u>¥1,711</u> |
| (Reference)  |               |
| Conversion premium:  |               |
| [{(conversion price/issue price (offer price) of the new shares)–1}×100] | <u>15.00%</u> |

<Reference>

## 1. Total Number of Issued Shares Before and After the Share Offering

|   |                   |
|---|-------------------|
| Current total number of issued shares:<br>(as of June 30, 2019) | 49,284,400 shares |
| Number of shares to be issued by the Share Offering:            | 1,948,100 shares  |
| Total number of issued shares after the Share Offering:         | 51,232,500 shares |

## 2. Use of Proceeds

The total net proceeds from the International Offering is estimated to be approximately ¥7,633 million.

The Company plans to apply the total net proceeds from the International Offering as follows:

- (1) For the development of the Company's pipeline, including acquisition of new seeds in relation to it, the total net proceeds after deducting the amounts in (2) and (3) below;
- (2) Approximately ¥2,500 million (or a similar amount in another currency) towards the establishment of, and the Company's expected commitment to invest in, the Venture Capital Fund, subject to it being established as planned; and
- (3) Approximately ¥1,600 million towards general working capital

Note: This press release has been prepared for the sole purpose of publicly announcing the International Offering, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. This press release is not an offer of securities for sale in the United States and nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful. The securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities referred to herein have not been, and will not be registered under the Securities Act. If any public offering of securities is made in the United States, it will be by means of a prospectus that may be obtained from the Company that will contain detailed information about the Company and its management, as well as financial statements of the Company. The Company does not intend to register the securities in the United States or to conduct a public offering of the securities in the United States. A prospectus has not been prepared for the International Offering. As the offering in connection with the issuance of new shares referred to herein will be made outside Japan and only to the non-residents of Japan, registrations or notifications under the Financial Instruments and Exchange Act of Japan (the "FIEA") will not be made, and a prospectus under the FIEA will not be prepared.

[End of Document]

### Note on translation

This is a translation of the original Japanese document and is provided for informational purpose only. If there are any discrepancies between this and the original, the original Japanese document prevails.