

January 7, 2022

To whom it may concern:

Company Name	TOHO HOLDINGS CO., LTD.
Corporate Representative	Atsushi Udoh, President and Representative Director (First Section of Tokyo Stock Exchange Securities Code:8129)
Contact:	Makoto Kawamura, Director and General Manager, Corporate Management Division and Corporate Planning and Investor Relations Department (TEL: 81-3-6838-2803)

Notice Regarding Agreement for Business Alliance with Cellusion Inc.

TOHO HOLDINGS CO., LTD. (Headquarters: Tokyo; President and Representative Director: Atsushi Udoh; hereinafter “TOHO HOLDINGS”) announces that it has decided to invest in Cellusion Inc. (Headquarters: Tokyo; President and Representative Director: Shin Hatou; hereinafter “Cellusion”) on October 20, 2021, and has invested in Cellusion, as described below.

1. Purpose of business alliance

TOHO HOLDINGS is a corporate group active in medical, nursing and healthcare fields, engaged in pharmaceutical wholesaling, dispensing pharmacy, manufacturing and sales of pharmaceuticals, and development and provision of customer support systems under the corporate slogan “Total Commitment to Good Health”. TOHO HOLDINGS also proactively promotes initiatives for regional medical collaboration, nursing and home care.

Cellusion, a regenerative medicine startup born out of the Department of Ophthalmology, Keio University School of Medicine, has developed a cell therapy product (PJ code: CLS001) using an iPS-derived corneal endothelial cell substitute for the treatment of bullous keratopathy. The company is currently preparing a clinical trial in Japan and building its supply chain after approval.

Our investment in Cellusion is intended to support the company to implement corneal endothelial regenerative therapy in society, and is also intended to enhance TOHO HOLDING’s commitment to specialty medicines, such as gene therapy and regenerative medical products. By making the best use of our Group’s nationwide distribution network and its expertise on efficient logistics, emergency response, communication with medical institutions, post-marketing collection of safety data, and so on, we will provide full support for Cellusion to solve matters related to the distribution of CLS001, including transportation of its raw materials, transportation for the clinical trial, and wholesale logistics for the product.

2. Overview of Cellusion

- | | |
|--------------------------|---|
| (1) Company name: | Cellusion Inc. |
| (2) Location: | 1-13-7 Nihombashi-Muromachi, Chuo, Tokyo |
| (3) Representative: | Shin Hatou, President and Representative Director |
| (4) Established: | January 2015 |
| (5) Business content: | Corneal endothelium regenerative medicine using iPS cells and aimed at treating patients with bullous keratopathy |
| (6) Capital: | 640 million yen |
| (7) Fiscal year end: | November 30 |
| (8) Number of employees: | 10 |

3. Information about CLS001

While there are more than 13 million patients around the world who have bullous keratopathy and other potentially blinding diseases that can only be treated through a corneal transplant, the global number of corneal transplants performed each year is only about 180,000. The reason behind the significant medical supply–demand gap is that corneal transplants require corneal donors, skilled corneal transplant ophthalmologists, and infrastructure improvement for eye banking.

The development of the regenerative medicine product CLS001 for patients with bullous keratopathy, who account for more than half of those who receive a corneal transplant, is built on the combination of “a technique to efficiently produce corneal endothelial substitute cells from highly proliferative iPS cells” and “a cellular transplantation method that is simple and non-dependent on individual procedural skills.” Approval for the implementation of an investigator-initiated clinical trial on CLS001 to evaluate the safety in humans was obtained from the Keio University Certified Committee for Regenerative Medicine as well as the Health Science Council of the Ministry of Health, Labour and Welfare of Japan in July 2021. The trial is set to be conducted at Keio University Hospital as soon as preparations are completed.

4. Forward looking outlook

The impact of this business alliance on the Company’s business performance is expected to be minimal, but the Company will disclose any impact promptly if it becomes necessary to do so in the future.