

March 8, 2024

Company SIIX Corporation
Representative Koji Yanase, President
 (Ticker code: 7613, Prime Market of Tokyo Stock Exchange)

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**Announcement of Acquisition of a new share of Renzoku Biologics Inc.,
which engaged in the CDMO business (contract manufacturing and development of bio-antibody medicines),
through a third-party allotment and making them SIIX's subsidiary.**

SIIX Corporation (hereinafter "SIIX") hereby announces the decision, taken at a meeting of the board of directors held today as described below, to invest in Renzoku Biologics Inc. (hereinafter "Renzoku"), a biopharmaceutical CDMO business (contract manufacturing and development business), and acquire shares of Renzoku.

1. Background

Recent progress in basic research in the life science field has led to an increase in the proportion of biopharmaceuticals in the pharmaceutical market, making biopharmaceuticals a growth area in the pharmaceutical sector. On the other hand, pharmaceutical companies are taking longer to develop medicines, and the success rate of medicine development is declining. Biopharmaceuticals, especially those using microorganisms and cells, have complex manufacturing processes, and the cost of developing and producing them is significantly higher than for small molecule medicines.

The current standard production method for biopharmaceuticals, especially antibody medicines, is the batch production method equipped with large culture vessels, but this method is not suitable for small-lot, multi-product production due to the large investment in facilities and the difficulty of flexible production scale adjustment.

The world's leading pharmaceutical companies are maximizing the use of internal and external contract manufacturing capabilities to ensure the successful development of new medicines. On the other hand, it is difficult for startup companies and research institutions with limited financial resources to utilize large-scale biopharmaceutical manufacturing facilities with high costs, and there are many structurally unmet latent demands in the market as the trend of horizontal division of labor continues in the biopharmaceutical industry.

Renzoku's mission is to contribute to the strengthening of the Japanese drug discovery ecosystem through innovation in the field of biopharmaceutical production, and to contribute to the health and medical care of patients worldwide who are waiting for biopharmaceuticals. To realize this goal, we aim to bring innovation and meet unmet needs in the field of biopharmaceutical production by accelerating the industrial application of advanced production technologies, including end-to-end, fully continuous production technology that integrates the cell culture process with the separation and purification process of target proteins.

Through our investment in Renzoku, we will support to utilize the technology for fully continuous production of antibody medicines to solve society's problems and will use this technology as the basis for a new biopharmaceutical CDMO business. Fully continuous production technology is a next-generation production method that can achieve high production efficiency and cost-effectiveness, as well as flexibility in responding to small-quantity, high-mix production, because it has the advantage of smaller volume fermenters and a compact footprint.

We will combine DX/ICT-based operation management and automation/manpower-saving technologies such as data visualization, quantification, visualization, and remote operation, for which we have a deep knowledge as a leading company in the EMS industry, and optimize their use for the continuous production of biopharmaceuticals. We will also apply our global experience in horizontal specialization, which is leading the electronics industry, for the efficient design and operation of next-generation biopharmaceutical plants.

2. Method of investment

SIIX will acquire new shares of Renzoku to be issued through a third-party allotment as of March 11.

Number of Renzoku's shares issued :

(before share issuance) 7,500,000 shares

(after share issuance) 185,625,000 shares

*After the new share issuance, SIIX will acquire 178,125,000 of Renzoku's shares (stock holding ratio: 96%) (2,375 million JPY) through a third-party allotment.

(reference) Renzoku's capital after share issuance: 1,195 million JPY

3. Outline of Renzoku

Company name	Renzoku Biologics Inc.	
Location	20F, Marunouchi Trust Tower, 1-8-3, Marunouchi Chiyoda-ku, Tokyo, Japan	
Representative	Dr. Hitoshi Kuboniwa, Chief Executive Officer	
Establishment	August 22, 2023	
Capital	7.5 million JPY	
Major shareholder and Shareholding	Dr. Hitoshi Kuboniwa 30.0%, Other 4 Individual shareholders (as of before the share issuance)	
Fiscal year-End	December 31	
Business Description	Contract development and manufacturing of bio-antibody medicine, etc.	
Relationship with SIIX	<u>Capital</u>	There is no capital relationship between SIIX and Renzoku. In addition, there is no capital relationship between the related parties and affiliated companies of SIIX and those of Renzoku or its affiliated companies.
	<u>Personnel</u>	SIIX's director, executive officer and associate executive officer will serve as director and auditor of Renzoku.
	<u>Business</u>	There is no business relationship between SIIX and Renzoku. In addition, there is no business relationship between the related parties and affiliated companies of SIIX and those of Renzoku or its affiliated companies.

4. Schedules

March 8, 2024 Decisions at the meeting of the board of directors (today)

March 11, 2024 Payment of capital contribution (plan)

5. Impact on our financial forecast

Upon completion of the investment, Renzoku is expected to become a consolidated subsidiary of SIIX, and we will promptly announce its consolidated earnings forecast for the fiscal year ending December 31, 2024, should it become necessary to revise its earnings forecast.