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On **June 19, 2020**, MEDINET Co., Ltd. announced the issue of its 16th series of share acquisition rights (with a clause to revise the exercise price).

The company has decided to issue its 16th series of share acquisition rights (collectively referred to as the “share acquisition rights”) to Macquarie Bank Limited via third-party allocation. If these share acquisition rights were exercised in full, the dilution would be 12.69% of the total number of shares outstanding as of the end of March 2020.

Overview

Allotment date	July 6, 2020
Total number of share acquisition rights to be issued	164,000 units
Issue value	JPY24,436,000 in total (JPY149 per share acquisition right)
Number of dilutive shares from the issuance	16,400,000 shares (100 shares per share acquisition right) No maximum exercise price Minimum exercise price is JPY62. Even at the minimum exercise price, the number of dilutive shares remains 16,400,000.
Funds to be raised	JPY1,890,428,000 in total, broken down to: Funds to be raised from issuing share acquisition rights: JPY24,436,000 Funds to be raised from the exercise of share acquisition rights: JPY1,865,992,000
Exercise price and provisions to revise exercise price	Initial exercise price: JPY113.78 The 16th series of share acquisition rights allow for the revision of the exercise price. Between the date of allotment and the date of expiration of the exercise period, the exercise price shall be adjusted to an amount equivalent to 92.5% of the closing price of the company's common shares on the Tokyo Stock Exchange on the trading day before the respective dates of exercise price revision. The exercise price shall not be lower than JPY62 (the minimum exercise price). If the resulting amount is below the minimum exercise price, the minimum exercise price shall be used as the revised exercise price.
Offering and allotment method	Third-party allotment to Macquarie Bank Limited (the allottee)
Exercise period	July 7, 2020–July 6, 2022
Other	After the securities registration statement takes effect in accordance with the Financial Instruments and Exchange Act, the company plans to enter into a purchase agreement in relation to the share acquisition rights. Under this purchase agreement, during the exercise period, the company can give advance notice to the allottee and specify a date on which the guaranteed stock acquisition period applies (the period during which the share acquisition rights holder must exercise its share acquisition rights). Provided that there is an interval of at least five trading days or more between the end of one guaranteed stock purchase period and the start date of the next one, the company can specify the application of the guaranteed stock purchase period one or more times. The allottee will pay the company a minimum of JPY250mn during the guaranteed stock purchase period, but may exercise its share acquisition rights once or several times at its own discretion.

Funds to be raised

- ▷ Total amount: JPY1,890,428,000
- ▷ Estimated issue fees: JPY15,000,000
- ▷ Estimated amount net of fees: JPY1,875,428,000

Use of proceeds from the issuance of share acquisition rights

- ▷ Expenses related to development of new regenerative medicinal products (such as glycosylation-modified T-cells) for the treatment of refractory gastrointestinal cancers: JPY551 mn, expenditure planned between July 2020–March 2023
- ▷ Expenses related to joint research with National Cancer Center Japan regarding HSP105: JPY537mn, expenditure planned between July 2020–March 2023
- ▷ Expenses related to joint research with Kyoto Prefectural University of Medicine regarding BAR-T technology: JPY473mn, expenditure planned between July 2020–March 2023
- ▷ Expenses related to share acquisitions associated with capital and business alliances: JPY314mn, expenditure planned between July 2020–September 2022

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