



October 11, 2022

To the press and whom it may concern,

Company name: CMIC HOLDINGS Co., Ltd.

Representative: Kazuo Nakamura, Representative Director and CEO
(TSE Prime Code No. 2309)

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Notice Concerning Subsidiary Acquisition of KNOCK ON THE DOOR, Inc. by Accepting a Third-Party Allotment of New Shares and Share Transfer

In a meeting of the Board of Directors held on October 11, 2022, CMIC HOLDINGS Co., Ltd. (the "Company") resolved to enter into a capital and business alliance agreement with KNOCK ON THE DOOR, Inc. ("KNOCK ON THE DOOR"), and to acquire shares by subscribing to preferred shares with voting rights through a third-party allotment of new shares and transferring issued and outstanding preferred shares with voting rights, thereby making KNOCK ON THE DOOR a subsidiary of the Company.

Since the amount of capital after the investment is equal to or more than 10/100 of the amount of capital of the Company, the company will be a specified subsidiary of the Company.

Notes

1. Reason for acquisition of shares

As Japan's first contract research organization (CRO) for pharmaceutical products, CMIC Group has developed a comprehensive business model called PVC(Pharmaceutical Value Creator) that provides support for pharmaceutical companies, from development to manufacturing, sales, and marketing.

In addition, CMIC Group is expanding into the healthcare sector while strengthening its support for digitalization, which includes the development of harmo®, and is making advances in support for total disease care, from prevention to diagnosis, treatment, and prognosis.

Working with patients, their families, and healthcare providers, KNOCK ON THE DOOR has developed expertise in creating support platforms for rare diseases and is currently developing a business focusing on "nanacara®", a platform for supporting patients with epilepsy.(*1)

Through this alliance, CMIC Group will strengthen its digital platforms, with the aim of increasing the health value of individuals through harmo®, while deepening its ties with medical institutions and healthcare providers.

In addition, CMIC Group is creating synergies with each of its group companies, including providing support for patients and their families in the field of rare diseases as well as clinical testing through partnerships with CRO and SMO businesses.

*1: A chronic brain disease that causes symptoms (epilepsy seizures) such as impaired consciousness and convulsions associated with excess electrical excitations in the nerve cells in the brain.

2. Method of share transfer

The Company plans to subscribe for 58,933 shares of preferred stock with voting rights through third-party allocation of shares to be conducted by KNOCK ON THE DOOR, Inc. on October 11, 2022. On the same date, the Company will also acquire 19,700 shares of voting preferred stock from four existing shareholders (three funds and one corporation) of KNOCK ON THE DOOR. As a result, the Company will acquire 78,633 shares (51.7%) of KNOCK ON THE DOOR's voting preferred shares, and KNOCK ON THE DOOR will become a consolidated subsidiary of the Company.

3. Overview of the subsidiary to be transferred

(1) N a m e	KNOCK ON THE DOOR Co., Ltd.		
(2) A d d r e s s	2-1, Ichigayahachiman-cho, Shinjuku-ku, Tokyo		
(3) J o b T i t l e / N a m e o f R e p r e s e n t a t i v e	Representative Director and CEO : Hiroomi Hayashi		
(4) D e s c r i p t i o n o f B u s i n e s s e s	Business development and business support based on a support platform for patients and families		
(5) P a i d - i n C a p i t a l	176 million yen		
(6) D a t e o f I n c o r p o r a t i o n	July 18, 2018		
(7) M a j o r s h a r e h o l d e r s a n d S h a r e h o l d i n g R a t i o	Hiroomi HAYASHI 33.5% Chihiro Takayama 7.5% Yusuke Horiguchi 3.2%		
(8) R e l a t i o n s h i p b e t w e e n t h e l i s t e d c o m p a n y a n d t h e r e l e v a n t c o m p a n y	C a p i t a l r e l a t i o n s h i p	Not applicable.	
	P e r s o n n e l r e l a t i o n s h i p	Not applicable.	
	B u s i n e s s r e l a t i o n s h i p	Not applicable.	
(9) O p e r a t i n g r e s u l t s a n d f i n a n c i a l c o n d i t i o n o f t h e c o m p a n y f o r t h e p a s t t h r e e y e a r s			
Fiscal year end	FYE June 2020	FYE June 2021	FYE June 2022
N e t a s s e t s	48 million yen	157 million yen	66 million yen
T o t a l a s s e t s	63 million yen	196 million yen	145 million yen
N e t s a l e s	13 million yen	84 million yen	19 million yen
O p e r a t i n g i n c o m e	△ 22 million yen	△ 76 million yen	△ 185 million yen
O r d i n a r y i n c o m e	△ 21 million yen	△ 73 million yen	△ 184 million yen
N e t i n c o m e	△ 21 million yen	△ 74 million yen	△ 184 million yen

4. Overview of the counterparty of the share acquisition

Not disclosed based on confidentiality obligations under the share transfer agreement with the counterparties of the share acquisition (three funds and one corporation).

There are no capital, personnel, or business relationships to be noted between the Company and the counterparty.

5. Number of shares acquired, acquisition price and status of shares held before and after acquisition

(1)	Number of shares held before the change	0 shares (Number of voting rights: 0) (Percentage of voting rights held: - %)
(2)	Number of shares acquired	78,633 shares (Number of voting rights: 78,633)
(3)	Acquisition cost	Stock 707 million yen Advisory fees, etc. (estimated amount) 22 million yen Total (estimated amount) 729 million yen
(4)	Number of shares held after the change	78,633 shares (Number of voting rights: 78,633) (Percentage of voting rights held: 51.7%)

6. Schedule

(1)	Date of resolution by the Board of Directors	October 11, 2022
(2)	Date of Contract	October 11, 2022
(3)	Date of execution of stock transfer	October 19, 2022 (planned)

7. Future Outlook

The impact on our business performance is expected to be limited for the time being, but as explained in 1. Reason for acquisition of shares, we believe that synergies will be generated in the future and will contribute to our group's business performance.