

Overview of the “Guidebook on Information Disclosure for Encouraging Dialogues between Biotech Venture Businesses and Investors”

(Published on March 4, 2021, on the METI website)

- It is critical for biotech venture businesses in the drug development industry to comprehensibly convey their non-financial information that is considered necessary for investors to understand venture businesses’ ability and growth potential in order to secure funds smoothly.
 - Using simplified diagrams of information disclosure, the new guidebook presents the details of information disclosure considered particularly insufficient for such venture businesses in the industry, the need for information disclosure from the standpoint of investors, etc.
- ⇒METI expects venture businesses in the industry to “proactively disclose their information” and encourage their dialogues with investors, etc.

Targets

- The guidebook mainly targets venture businesses in the drug development industry that need a large amount of investments in R&D prior to commercialization of products. The guidebook may be usable for companies other than drug development businesses as well.
- It mainly targets venture businesses which have been listed on the stock exchange. As other targets, it also expects companies that do not intend to go public, e.g., those intending to exit through M&A.

Key points in making use of the guidebook

- Venture businesses are recommended to: recognize information disclosure as a means for securing fund collecting opportunities, strategically recognize and analyze their corporate value, organize comprehensive information, select information to be disclosed and scrutinize details of the information to be disclosed.
- Referring to diagrams and structures described in the guidebook, they are also recommended to prepare documents for information disclosure that sufficiently appeal to investors for their attractiveness in an easy-to-understand manner even for people who are unfamiliar with biotechnology.

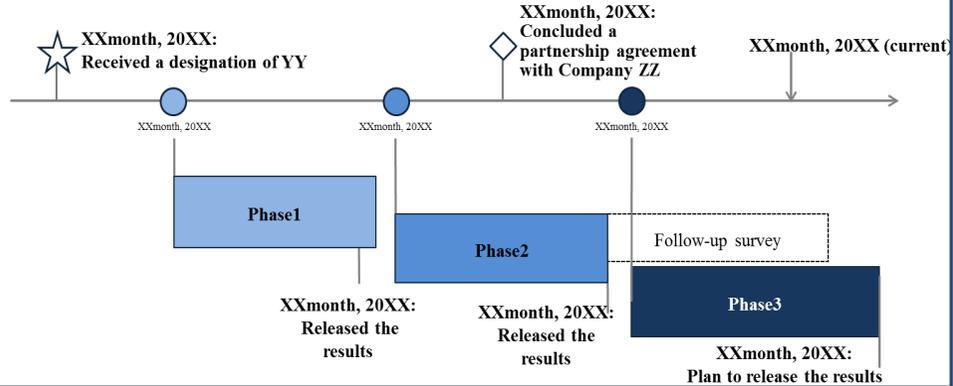
Examples of items for information disclosure

- Members and organizational structure;
- Business achievements and progress;
 - ⇒Explanation with streamlined milestones in chronological order, etc.
- Pipelines
 - Detailed mechanisms and technologies involving diseases;
 - Current and future market scales;
 - Competitive environments;
 - Shor-term goals to be achieved, etc.

Examples of desirable information disclosure

Progress of developing Product B and future plan

- Planning to release the results of the Phase 3 clinical testing in XXmonth, 20XX
- Having filed a patent application in the United States



Expected mid- to long-term market size of Product A under development

- Expecting sales of X billion yen in Japan and the U.S. to be achieved in 2025

