

BrightPath Biotherapeutics Co., Ltd.
(4594 Tokyo Stock Exchange Growth)
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**Announcement of Issuance of Series 16 Moving Strike Warrants
and Unsecured Bonds (Private Placement Bonds: PPB)**

BrightPath Biotherapeutics Co., Ltd. ("BrightPath" or the "Company") announces that a resolution to issue the 16th series of moving strike warrants ("Warrants") and the 2nd series of unsecured bonds ("Bonds") to Macquarie Bank Limited was approved by the Company's board of directors at its meeting held on November 14, 2023.

1. Outline of the Offering

<Warrants>

(1) Allotment date	November 30, 2023
(2) Total number of warrants to be issued	156,600 warrants
(3) Issue price	Total amount of issue: 5,167,800 yen (33 yen per warrant)
(4) Number of potential shares issuable	15,656,000 shares (100 shares per warrant) There is no upper limit on the exercise price. The Minimum Exercise Price (as defined later) for the warrant is 57 yen. If all warrants are exercised at the Minimum Exercise Price, the number of shares to be issued will be 15,660,000 shares.
(5) Amount of funds to be raised	Estimated net proceeds: 1,613,807,800 yen (Note) Breakdown: - Amount to be procured through warrant issue: 5,167,800 yen - Amount to be procured through warrant exercise: 1,628,640,000 yen
(6) Exercise price and conditions for moving the exercise price	Initial exercise price: 104 yen On and after the day on which the Company receives a notice of warrant exercise ("Revision Date"), the exercise price will be revised to an amount equal to 92% of the closing price of the Company's common stock in regular trading on the Tokyo Stock Exchange on the trading day (as defined later) immediately preceding the Revision Date, or 92% of the last available closing price before said trading day if no closing price is available on that day, rounded down to the nearest one yen. A "trading day" means a day on which a trading session is held on the Tokyo Stock Exchange. If, however, trading of the Company's common stock on the Exchange is suspended or restricted for any reason on a certain trading day, such day will be treated as a non-trading day. The exercise price will not fall below 57 yen (the "Minimum Exercise Price"). If the revised exercise price calculated in the way described above is to fall below the Minimum Exercise Price, the Minimum Exercise Price will be adopted as the revised exercise price. Beyond what is specified above, the exercise price may be adjusted in accordance with the Terms and Conditions for Warrants.
(7) Exercise period	From December 1, 2023 to November 30, 2026
(8) Method of offering or allotment (Allottee candidate)	To be allotted to Macquarie Bank Limited (the "Allottee") by way of the so-called third-party allotment, that is, allotment of securities to specified third parties (which may include specific existing shareholders)

(9) Other terms and conditions	The Company will enter into a purchase agreement for the warrants with the Allottee (the "Purchase Agreement"). The Purchase Agreement is going to stipulate that, if the Allottee intends to transfer the Warrants with the prior approval of the Company's board of directors, the transferee must succeed to all rights and obligations of the Allottee under the Purchase Agreement.
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Note: The total amount of funds to be raised through the issuance of these warrants is the sum of the total issue price of the warrants and the total value to be contributed upon warrant exercise, which is calculated on the assumption that all the warrants are exercised at the initial exercise price, minus an estimated amount of various expenses related to the issuance of the warrants (20,000,000 yen). If the exercise price is revised or adjusted during the exercise period, the amount of funds to be raised will vary accordingly.

***Timing for fixing the terms and conditions for issuance of the Warrants**

A summary of the Company's financial results for the second quarter of the year ending March 2024 was publicly disclosed on November 10, 2023. In general, if a company intends to issue and allot warrants to specified third parties (including existing shareholders) under the Japanese laws in the case where the company's financial disclosure is made at a time close to the date of resolving such issuance, the company needs to prevent the real value of the warrants from deviating from the terms and conditions for such issuance. In this context, the issuing company may determine the terms and conditions for issuance by incorporating expected stock price fluctuations following the financial disclosure (by setting a certain period of time between the disclosure and the time for fixing the terms and conditions).

Likewise, BrightPath deliberated carefully the terms and conditions for issuance of the Warrants in order to set fair conditions with due consideration for existing shareholders' interests. As a clinical-stage biopharmaceutical company currently in the middle of upfront investments entailing heavy spending on research and development, BrightPath is yet to have sufficiently stable revenue streams. Therefore, the Company's most recent financial disclosure has only a limited impact on its stock price. This is the case with the movements of the Company's stock price immediately following any past financial disclosure. In light of such tendency previously observed, the disclosure of the Company's financial results for the current year's second quarter is reasonably believed to have no significant impact on the Company's stock price. The Company therefore determines that the closing price on November 13, 2023 reflected the impact of the financial disclosure. Based on the foregoing, the Company has decided to use the closing price of the Company's stocks available on November 13, 2023 to fix the terms and conditions for issuance of the Warrants as of today.

For details of the financial results for the current year's second quarter, please see "Financial Results for the Six Months ended September 30, 2023" published as of November 10, 2023.

2. Purpose and Reason for the Offering

(1) Purpose of the offering

BrightPath is a clinical-stage biopharmaceutical company focused on the development of novel cancer immunotherapy. Currently, BrightPath pipelines consist of three modalities (form of drugs): cell therapies, antibodies and cancer vaccines.

For BP2201 (iPS-NKT), BrightPath opted in for the licensing option to obtain exclusive global development, manufacturing and marketing rights from the Institute of Physical and Chemical Research (RIKEN) last year, and BrightPath established a platform consisting of three components: patent, master cell bank and manufacturing method. BrightPath has launched a business vision to create a novel allogeneic CAR-T cell therapy platform using iPS cell-derived NKT cells against a variety of tumor antigens and to replicate platform-based licensing transactions, while some US cell therapy companies take a lead in such transactions in other cell types. NKT cells, discovered by Japanese researchers and developed by RIKEN and Chiba University in Japan, have unique characteristics that distinguish them from other immune cell types such as T cells and NK cells. The iPS-NKT cells were created by combining such NKT cells and an iPS cell technology originated in Japan. The Company is convinced that this platform will surely make a breakthrough for the currently stagnant allogeneic CAR-T cell therapies.

As part of the efforts to promote platform-based developments, BrightPath has recently obtained a license for the CRISPR-based gene editing technology from Artisan Bio. This technology is necessary for gene transfer of chimeric antigen receptors (CARs) and other factors into master iPS cell lines. Artisan Bio's STAR-CRISPR® is one of the most advanced and differentiated technologies of the same kind in the world.

The progress observed in the projects using the funds that the Company has raised to date is as follows.

For BP2201 (iPS-NKT), the Company's investment focuses on the manufacturing process development to conduct industrial-setting clinical trials in the near future, to establish the prototype CD19 or HER2 targeting CAR-iPSNKT (based on in vitro tumor killing data presented at SITC 2022), and to obtain opt-in global exclusive rights to develop, manufacture and market iPS-NKT from RIKEN.

Another cell therapy pipeline BP2301 is autologous anti-HER2 CAR-T. The Company has developed BP2301 in collaboration with Shinshu University of Japan to realize the concept that CAR-Ts rich in stem-cell-memory phenotype work effectively in even immunosuppressive solid tumor. The Company succeeded in manufacturing stem-cell-memory rich CAR-T cells and confirmed those cells' high durable anti-tumor effects against solid tumor in animal models. Then, the Company initiated an investigator-sponsored Phase I clinical study at Shinshu University in early 2022.

The ongoing therapeutic antibody pipelines include a monoclonal antibody BP1200, a Fc-enhanced monoclonal antibody BP1202 and a biparatopic antibody BP1210 that target immune checkpoints (immunomodulators) to establish anti-tumor immunity in an immunosuppressive tumor environment. BP1212 is a first-in-class antibody with

no prior product in the target antigen combination. They are differentiated from prior products against multiple targets and have achieved proof of concept in a nonclinical setting by confirming efficacy in a tumor-bearing mouse model.

As for GRN-1201, a shared antigen peptide vaccine for which preclinical trials had started in 2014, BrightPath decided to discontinue Phase II study in combination with pembrolizumab in patients with 1L NSCLC in the US early last year. During the COVID-19 pandemic, the clinical trial for GRN-1201 was delayed while a new anti-PD1 antibody drug combination is becoming dominant. These situations make it difficult to find a commercial path for GRN-1201. Presently, the Company is reviewing the indications and trial protocols to explore the opportunities to restart this project in a different setting. In addition, the fully personalized neoantigen vaccine, for which the Company had started research in 2018, has now been developed into BP1209, which is a form of vaccine conjugated to immune-checkpoint antibody as a delivery vehicle to lymph nodes. Its antitumor efficacy has just been confirmed in an animal model, and non-clinical studies and the formulation development are underway to prepare for clinical trials.

As of September 30, 2023, the Company held 1,063 million yen in cash and cash equivalents. The Company's net loss for the fiscal year ended March 31, 2023 is 1,357 million yen and the net loss for the six months ended September 30, 2023 is 551 million yen. The value of aforementioned cash and cash equivalents is enough for covering business operations for the coming one year. In order to steadily promote the development of iPS-NKT cell platform while continuing R&D based on cellular and antibody drugs, the Company needs to secure flexible funding sources without prejudice to the interests of existing shareholders.

Since the initial public offering (IPO) in October 2015, the Company has raised additional funds through issuing warrants on four occasions. All the funds raised since April 2020 through the exercise of Series 14 warrants were spent as planned, by the end of fiscal year 2022, for R&D and other working capital for the development of cancer immunotherapy pipelines. The exercise of the most recent warrants (Series 15) was launched in January 2022 and finished in November 2022. While the total amount procured from Series 15 had initially been estimated at 1,107 million yen, the fund actually raised was 775 million yen due to a subsequent decrease in the stock price. This fund was fully disbursed for the ongoing pipelines by July 2023, earlier than originally planned.

(2) Overview of the proposed fundraising and reasons for such proposal

BrightPath examined the possibility of fundraising through indirect financing based on the Company's financial standing and business deployment planning, as well as the ways of raising funds through direct financing. In the course of seeking suitable financing solutions, BrightPath has decided to issue the Warrants and Bonds under the scheme called third-party allotment (allotment of securities to specified third parties, which may include existing shareholders), as proposed by the Allottee. This decision is based on the comparison with other financing alternatives described in Section 2(3) below, after comprehensively considering the advantages and disadvantages explained there.

The proposed fundraising ("this Fundraising") is characterized by a scheme of concurrently issuing the Warrants and the Bonds to the Allottee whereby the amounts paid by the Allottee upon warrant exercise will be used as funds available to the Company's business and as the source for redeeming the Bonds. This scheme enables the Company to procure a certain amount of funds before the Warrants are exercised. This scheme is the same as the previous fundraising (Series 15 Warrants Subject to Exercise Price Adjustment and Unsecured Bonds (PPB) as announced on January 14, 2022) in that both are a funding technique which combines warrants and corporate bonds. Using the Bond Facility (as defined later) allows for flexibility in additional bond issues. The Warrants and the Bonds are outlined as follows.

<Warrants>

The Company will issue 156,600 Warrants exercisable for a period of three years and allot them to the Allottee, and the Allottee's exercise of the Warrants will bring about an increase in the Company's capital. The outline of the Warrants is as follows.

Since the number of the Company's shares covered by one Warrant is fixed at 100 shares, the total number of the Company's shares covered by all Warrants is 15,660,000 shares.

The Allottee can, in principle, exercise those warrants at its own discretion. If, however, there are unredeemed Bonds or Additional Bonds (as defined later), the exercise of the Warrants must be limited within the range not exceeding the sum of the total amount of all Bonds and Additional Bonds issued and five million yen. This limitation will be specified in the Purchase Agreement, which is to be concluded between the Company and the Allottee after the effective date of the registration to be filed under the Financial Instruments and Exchange Act of Japan. Even in the case where all Bonds and Additional Bonds issued are fully redeemed, the Allottee can no longer exercise the Warrants in any calendar month if the cumulative amount of the Warrants exercised in the same month is to exceed 100 million yen (excluding the amounts of the Warrants exercised during any period in the same month for which there are unredeemed Bonds, and excluding the amounts of the Warrants exercised on any trading day on which the Company's stock price exceeds both the closing price on November 13, 2023 (114 yen) and 105% of the closing price on its immediately preceding trading day). Nevertheless, a warrant exercise beyond any of the foregoing limits may be allowed if the Company approves such exercise. Basically, the Company has no intention of approving any exercise of the Warrants beyond the foregoing limits with a view to preventing excessive stock dilution. However, whether or not to approve such warrant exercise will depend on the Company's careful consideration on each occasion in light of the status of the exercise of the Warrants and the Company's funding needs. If such approval is given, the Company will promptly make disclosure.

When no unredeemed Bonds or Additional Bonds remain, the Company may at its discretion designate a blackout period (cf. Item (iv), <Advantages>, Section 2(3) “Observations about the proposed fundraising”). The Company’s designation of a blackout period is subject to its board of directors’ resolution and timely disclosure.

The scheme for the Warrants explained above is designed to prevent shareholder value from being drastically diluted within a short period and to enable the Company to adequately control the timing for exercise of the Warrants and their quantities.

For the first exercise of the Warrants, the exercise price is 104 yen, which is equal to the initial exercise price. After the date of a notice of the first warrant exercise, and until the exercise period for the Warrants expires (November 30, 2026), the exercise price will be revised to 92% of the closing price of the Company’s common stock in regular trading on the Tokyo Stock Exchange on the trading day immediately preceding the Revision Date (or, if no closing price is available on that trading day, 92% of the closing price on its immediately preceding trading day), rounded down to the nearest one yen. If, however, the revised exercise price calculated above falls below the Minimum Exercise Price, the Minimum Exercise Price will be adopted as the revised exercise price.

The Warrants are exercisable for the period of three years from December 1, 2023 to November 30, 2026.

<Bonds>

At the same time as issuing the Warrants, the Company will issue the Bonds to the Allottee (Macquarie Bank Limited), with the total amount of issue at 500 million yen, in accordance with the terms and conditions outlined below, on the understanding that typical conditions precedent have been fulfilled. Under the bond purchase agreement that the Company and Macquarie Bank Limited as a holder of the Bonds (the “Bondholder”) are scheduled to conclude (the “Bond Purchase Agreement”), the Bondholder will be entitled to ask for premature redemption of the Bonds, in whole or in part, during the period of six months from the date of issue of the Bonds, on condition that the cumulative redemption amount (including the amounts redeemed in relation to Additional Bonds) will not exceed the aggregate amount paid by the Bondholder to the Company through exercising the Warrants. After such six-month period has elapsed, the Bondholder will be allowed to ask for premature redemption with no upper limit on the redemption amount. The proceeds from the exercise of the Warrants will be used to redeem the Bonds, in general, insofar as there are unredeemed Bonds. There is a possibility that the Warrants may remain unexercised, depending on price fluctuations of the Company’s common stock in the future. In this case, the proceeds from the exercise of the Warrants cannot be obtained or the total amount procured by the Company may fall below the initially expected amount. However, the Company will be able to procure funds and increase its cash on hand at the time of issuing the Bonds, even before the Warrants are exercised. That is why the Company has decided to adopt a scheme of issuing the Warrants and the Bonds simultaneously. It should be noted that the Company will be obligated to redeem all of the then outstanding Bonds even before their maturity if any of the predetermined events occurs, which include the events triggering the Company’s acquisition of the Bonds as specified in the terms and conditions for the Warrants, the Company’s receipt of a notice of exercise of appraisal rights from the Allottee as described in Section 2(3) below (Observations about the proposed fundraising), and the events justifying termination of the Purchase Agreement. Such premature redemption will force the Company to procure a certain amount of funds from other sources for the purpose of enforcing the redemption. Under existing circumstances, the Company will use its cash on hand for premature redemption.

Outline of the Bonds

1. Bond name	BrightPath Biotherapeutics Co., Ltd. Series 2 Unsecured Bonds
2. Total amount of the bonds	500,000,000 yen
3. Amount per bond	12,500,000 yen
4. Payment date	November 30, 2023
5. Maturity date	November 29, 2024
6. Coupon rate	0% per annum
7. Issue price	100 yen for a 100-yen par value
8. Maturity value	100 yen for a 100-yen par value
9. Method of redemption	One-time lump-sum repayment on the maturity date The Bond Purchase Agreement will stipulate that the Bondholder may ask for premature redemption of the Bonds, in whole or in part, at 100 yen for a 100-yen par value during the period of six months from the date of issue of the Bonds, on condition that the Bondholder will inform the Company at least five trading days in advance, and further on condition that the cumulative redemption amount (including the amounts redeemed in relation to Additional Bonds) will not exceed the aggregate amount paid by the Allottee through exercising the Warrants to the Company. After such six-month period has elapsed, the Bondholder may ask for premature redemption of the Bonds, in whole or in part, with no upper limit on the redemption amount, at 100 yen for a 100-yen par value by informing the Company at least 20 trading days in advance. The Company may at any time demand by informing the Bondholder at least 20 trading days in advance that the

Bondholder accept premature redemption of the Bonds, in whole or in part, at 100 yen for a 100-yen par value. The Company will be obligated to redeem all of the then outstanding Bonds even before maturity if any of the predetermined events occurs, which include the events triggering the Company's acquisition of the Bonds as specified in the terms and conditions for the Warrants, the Company's receipt of a notice of exercise of appraisal rights from the Allottee as described in Section 2(3) below (Observations about the proposed fundraising), and the termination of the Purchase Agreement.

10. Subscriber for the total amount

Macquarie Bank Limited

The Bonds will be issued as part of the bond facility to be specified in the Bond Purchase Agreement (the "Bond Facility"). "Additional Bonds" are new unsecured bonds to be issued additionally by the Company to the Bondholder under the Bond Facility after the issuance of the Bonds. In the Bond Facility, Additional Bonds can be issued on or before February 28, 2026 if certain predetermined requirements are met. One of such requirements is that 60% or more of the total amount of the Bonds or Additional Bonds issued have already been redeemed. The Company may issue Additional Bonds as many times as needed, which must be purchased by the Bondholder, insofar as the total amount of the Bonds and Additional Bonds issued and outstanding does not exceed 500 million yen and the cumulative amount of the Bonds and Additional Bonds issued does not exceed 1.5 billion yen. The terms and conditions for issuance of Additional Bonds are going to be almost the same as those for the Bonds; the coupon rate will be set at 0% per annum, and the maturity date will fall on the business day after 12 months following the date of issue of the Additional Bonds or the business day after 35 months following the date of issue of the Bonds (October 31, 2026), whichever comes earlier. Additional Bonds will be redeemed in the same way as described in Column 9 (Method of redemption) in the table above. If Additional Bonds are issued, the proceeds from such issue will be used for the same purposes as the intended use of the Warrants. The proceeds from the exercise of the Warrants will be used to redeem Additional Bonds, in general, insofar as there are unredeemed Additional Bonds. The Bond Facility allows the Company to promptly procure a certain amount of funds without interest even before remaining Warrants are exercised, insofar as the bond redemption is effected as scheduled and other predetermined requirements are met.

(3) Observations about the proposed fundraising

Under the scheme of this Fundraising, the Company will allot the Warrants to the Allottee, and the Allottee's exercise of the Warrants will enable the Company to procure new funds. As explained in Section 2(2) before, the scheme of issuing the Bonds to the Allottee (Macquarie Bank Limited) at the same time as issuing the Warrants allows the Company to procure a certain amount of funds before the Warrants are exercised and to use the proceeds from the exercise of the Warrants for capital expansion and bond redemption.

This Fundraising is characterized as follows. In light of present stock market conditions and the intended use of new funds, what is important for the Company is to successfully procure necessary funds while ensuring its discretionary power. Since the former objective can be achieved by the issuance of the Bonds and the latter can be ensured through the issuance of the Warrants, the Company has determined that this Fundraising is the most appropriate on this occasion.

will be ensured through the issuance of the Warrants

(i) Procuring a significant amount of funds at the very start

At the time of issuing the Bonds, the Company can procure a significant amount of funds. Subsequently, the Company can issue Additional Bonds insofar as the cumulative issue amount does not exceed 1.5 billion yen (which includes the amounts of the Bonds issued) and the total amount of the Bonds and Additional Bonds outstanding is not to exceed 500 million yen. This means that the scheme of this Fundraising will allow the Company to raise certain amounts of funds with no need to wait for the exercise of the Warrants which will remain unexercised at that time.

(ii) Fixing the number of shares to be issued

At the time of issuing the Warrants, the total number of shares covered by those warrants is fixed at 15,660,000 shares, as indicated in the terms and conditions for the Warrants. This number will remain unchanged, regardless of stock price fluctuations in the market in the future. If a share split or any other similar event occurs, the number of shares to be issued may be adjusted in accordance with the terms and conditions as aforesaid.

(iii) Acquisition of the Warrants

The Warrants are designed to allow the Company to acquire all or part of remaining unexercised warrants at an amount equivalent to their issue price in the event that the Bonds and Additional Bonds are fully redeemed. Such acquisition is subject to the approval of the Company's board of directors and the notification by the Company to the warrant holder(s) at least 20 trading days in advance. The Company may choose to acquire the Warrants if its capital needs decrease or its capital policy is changed later on, with a view to preventing dilution and ensuring flexibility in the Company's planning and implementation of capital policies.

(iv) Blackout period

The Purchase Agreement is going to stipulate blackout periods. During the exercise period for the Warrants, the Company may specify a period for which the Allottee is prohibited from exercising the Warrants (a "blackout period") up to four times. Each blackout period cannot exceed 10 consecutive trading days. When setting a

blackout period, the Company must notify the Allottee in writing at least three trading days prior to the start date of the blackout period. The minimum interval between blackout periods is five trading days. The Company may shorten any blackout period upon notice to the Allottee. During the period from the date of notification provided under Section 14(1) or (2) of the Terms and Conditions for the Warrants to the acquisition date, or during the period for which there are unredeemed Bonds or Additional Bonds, no blackout period can be set. Each blackout period will be specified in light of movements of the Company's stock price and other circumstances. A blackout period, if specified, will be promptly disclosed by the Company.

(v) Transfer restriction

The Purchase Agreement is going to stipulate restrictions on transfer of the Warrants since they are to be issued under the scheme of third-party allotment, that is, allotment of securities to specified third parties. The Allottee may not transfer the Warrants to any third party without the approval of the Company's board of directors, except for transfers between the Allottee and its affiliated companies.

<Disadvantages>

(i) Limited access to a large number of unspecified prospective investors

Since new securities are issued to the Allottee alone under the scheme of third-party allotment, the Company has fewer opportunities to interact with an unspecified number of new investors and solicit their investments.

(ii) Possibility that the amount of funds raised may fall far below the initially estimated amount if the stock price is sluggish

In such case where the stock price remains lower than the Minimum Exercise Price for a long period of time, the Warrants will not be exercised. In this event, the amount procured by the Company may fall far below the initially estimated amount. The Company will face the same situation if the stock price is lower than the initial exercise price.

(iii) Possibility of a decline in the Company's stock price as a result of the Allottee's sale of the Company's shares in the market

The Allottee's holding policy for the Company's common stock is short-term holding. Under this policy, the Allottee is surely going to exercise the Warrants and sell the shares acquired through such exercise in the market. In light of the current liquidity of the Company's common stock, the Allottee's sale of shares in the Company is likely to cause the stock price to decline.

(iv) Exercise of appraisal rights

The Purchase Agreement is going to stipulate that the Allottee may at its discretion to ask the Company in writing to purchase all or part of the Warrants once any of the predetermined conditions has been met. The predetermined conditions in this regard are as follows.

- (a) On any specific trading day, the volume weighted average price of the Company's common stock in regular trading on the Tokyo Stock Exchange for 20 consecutive trading days immediately preceding such specific trading day falls below 50% of the closing price of the Company's common stock in regular trading on the Tokyo Stock Exchange on November 13, 2023 (57 yen). This threshold will be adjusted accordingly when the exercise price is adjusted under Section 11 of the Terms and Conditions for the Warrants.
- (b) On any specific trading day, the average daily traded value of the Company's common stock in regular trading on the Tokyo Stock Exchange for 20 consecutive trading days immediately preceding such specific trading day falls below 25,000,000 yen.
- (c) Transaction of the Company's common stock in the Tokyo Stock Exchange is suspended for 5 or more consecutive trading days.

Upon the Allottee's request for such purchase, the Company must purchase those Warrants in full, in return for the payment of an amount equal to their issue price, on the 15th trading day following the date of arrival of the Allottee's purchase request (or on the expiration date of the exercise period for the Warrants if it comes earlier than the 15th trading day as aforesaid). If the Allottee asks the Company to purchase the Warrants, the Company cannot obtain the proceeds that would otherwise be generated from the exercise of the Warrants. In this case, the amount of funds raised by the Company may fall below the initially estimated amount. Furthermore, the total amount of funds ultimately raised under the proposed scheme of the Warrants may be reduced because the Company must pay an amount equal to the sum of the gross proceeds that would otherwise be received from the Allottee for the Warrants.

(v) Restriction on issuance of equity securities

The Purchase Agreement is going to restrict the Company from issuing equity securities. The Company, in general, requires the approval in writing from the Allottee in advance of issuance of common stock, warrants or other equity securities that are either convertible to or with options to acquire stock or warrants from the entering date into the Purchase Agreement until the earliest date on which (1) the exercise period for the Warrants is expired, (2) all the Warrants are executed, (3) the Company acquires all the Warrants from the Allottee and (4) the Purchase Agreement is cancelled. This rule does not apply, however, to the certain cases including that the Company issues stock options or stock with restriction on transfer and that the Company issues equity securities to the third party as part of business alliance with such party.

<Comparison with alternative financing schemes>

The Company evaluates this Fundraising and other alternative financing schemes as follows.

(i) Public offering

The Company has concluded that public offering is not appropriate on this occasion. While public offering could attract new capital from new investors, it would simultaneously cause dilution of earnings per share all at once and have a significant impact on the stock price. During the course of considering this Fundraising and other alternatives, no securities companies recommended public offering solutions to the Company.

(ii) Pro rata allotment of new shares to existing shareholders

Issuing new shares and allotting them to existing shareholders on a pro rata basis is preferable in that it will not cause dilution. By this method, however, new capital is sourced from existing shareholders only and whether to participate in the capital increase or not is left to each shareholder's decision. For this reason, it is determined difficult to procure the necessary amount of funds in full on this occasion.

(iii) Allotment of new shares to specified third parties (the so-called third-party allotment of shares)

While third-party allotment is effective for immediate fundraising, it is found inappropriate on this occasion since it would cause dilution of earnings per share, as with public offering solutions.

(iv) Moving stock convertible bonds (MSCB)

MSCB is a kind of convertible bonds with warrants in which the exercise price is not predetermined and decided in tandem with the underlying stock price, and the terms and conditions for their issuance and exercise are diversified today. The total number of shares to be delivered upon each conversion cannot be fixed, in general, before the conversion is completed. Due to this structure, the number of dilutive shares will increase if the exercise price is lowered, which would significantly and directly affect the stock price. The Company has therefore decided not to choose MSCB solutions.

(v) Allotment of warrants without contribution (rights offering)

There are two types of rights offerings: one is underwritten by a financial instruments business operator based on an underwriting agreement between the issuing company and such underwriter, and the other is issued without such underwriting for which the warrant exercise is left to each warrant holder's discretion. The former type requires high costs including underwriting fees. Regarding the latter type, the Company is not eligible because it recorded ordinary losses for the most recent two business years and cannot meet the listing criteria set forth in Rule 304, Paragraph 1, Item (3)a of the Securities Listing Regulations established by the Tokyo Stock Exchange.

(vi) Debt financing

Debt financing is a good solution in the ongoing low interest rate environment. However, additional borrowing increases the borrower's total debt balance and may adversely affect its financial soundness. In addition, the commitment lines currently offered to the Company by its banks are not sufficient to procure the full amounts necessary for its business.

Taking into consideration the characteristics of the Company's business, its present financial condition and the intended use of new funds, the Company has concluded that capital-based financing is the best optimal choice at present. Since debt financing is a highly flexible fundraising solution, the Company desires to retain a borrowing capacity available for future execution of business strategies, rather than using credit lines for this fundraising.

Compared to these alternatives, the fundraising scheme proposed by the Allottee enables the Company to procure its necessary amount in part in the form of the proceeds from issuance of the Bonds purchased by the Allottee when simultaneously issuing the Warrants and the Bonds to the Allottee. In addition, the combination of the Warrants and the Bonds can mitigate an immediate adverse impact on the Company's stock price that might otherwise be caused by the exercise of the Warrants. This is because exercising the Warrants in phases will be followed by the redemption of the Bonds in phases. After considering these advantages, the Company has determined that the fundraising scheme proposed by the Allottee is more feasible for the Company and more beneficial for existing shareholders than other financing alternatives.

3. Fundraising Amount, Intended Use and Disbursement Schedule

(1) Expected fundraising amount

	Gross proceeds (yen)	Estimated funding costs (yen)	Net proceeds (yen)
	1,633,807,800	20,000,000	1,613,807,800

- Notes
1. The total amount of gross proceeds is the sum of the total issue price of Series 16 warrants (5,167,800 yen) and the total amount to be contributed through warrants exercise (1,628,640,000 yen).
 2. The amount of estimated funding costs does not include Japanese national and local consumption taxes.
 3. The total amount of gross proceeds is calculated on the assumption that all Series 16 warrants are exercised at the initial exercise price. If the exercise price is subsequently revised or adjusted, the total amount of gross proceeds and the estimated amount of net proceeds will vary. If the warrants are not exercised in full within the predetermined exercise period, or if the Company cancels its acquired warrants, the total amount of gross proceeds and the estimated amount of net proceeds will decrease.
 4. The amount of estimated funding costs is the sum of legal fees, valuation costs, registration-related costs, and other related costs and expenses.

(2) Intended use and disbursement schedule

The resolution to issue Series 16 warrant has been approved for the purpose of funding for research and development of cancer immunotherapy pipelines. The projects to be covered by the proceeds from these warrants and the schedule for disbursing major project costs are as follows.

Project covered by new funds	Project cost (millions of yen)	Time for disbursement
R&D of cancer immunotherapy pipelines	1,370	December 2023 – December 2024
– Cell therapy	1,227	
– Antibody	143	
Working capital	244	December 2023 – December 2024
Total	1,614	—

- Notes
1. Among the proceeds from the exercise of the Warrants, an amount equivalent to 500 million yen will be scheduled to be used for redeeming the Bonds. If Additional Bonds are issued, the proceeds from the exercise of the Warrants may be used in part for redeeming those Additional Bonds. However, the primary purpose of use of the proceeds from the issuance of the Bonds and Additional Bonds is either of the projects described in the table above, whichever will be implemented earlier. For more details about the Bonds, please see <Outline of the Bonds> in Section 2(2).
 2. The funds to be raised will be disbursed preferentially for either of the projects mentioned above, which will be implemented earlier. If necessary amounts are not procured as scheduled, the Company's disbursement will not go as planned. On the other hand, if the amount actually procured at any specific time is larger than the planned amount, the surplus amount will be allocated appropriately to both projects in light of their progress.
 3. The amounts actually procured will be deposited in the Company's bank accounts or managed in the form of any other low-risk assets until those amounts are disbursed for the planned purposes.
 4. If the Company cannot procure sufficient amounts through the Allottee's warrant exercise during the scheduled disbursement period, the Company will allocate available amounts to the cell therapy pipeline in priority to other projects and may seek any alternative fundraising solution or revise the business plan underway.

The costs and disbursements for the projects described in the foregoing table are detailed as follows. Whether the proceeds from the exercise of the Warrants can be obtained or not and when to exercise those warrants will depend on the warrant holder's decisions, and there is a possibility that the exercise price of the Warrants may be revised or adjusted. Since the Company cannot fix the amounts of bond proceeds and the time schedule for obtaining those proceeds at this moment, the estimated amounts of proceeds and the schedule for disbursement of the funds indicated above may vary in the future.

(i) R&D expenses for cancer immunotherapy pipelines

In the current fiscal year, BP2201 is scheduled to achieve the milestone to complete an investigator-initiated clinical trial of iPS cell-derived NKT cells (non-CAR iPS-NKT) for head and neck cancer, which will be followed by clinical safety assessment through the world's first-in-human administration of iPS-NKT cells. In parallel, the Company is developing a prototype product serving as a model for CAR-transduced iPS-NKT (CAR-iPS-NKT), aiming to embark on platform licensing transactions for CAR-iPS-NKT with big pharma. While obtaining experimental data for profiling the characteristics of CAR-iPS-NKT, the Company will introduce various advanced technologies from third parties and incorporate them into CAR-iPS-NKT cells, including CRISPR, a gene editing technology developed by Artisan Bio. The funds to be raised will be used not only for experiments in the Company's laboratory, but also for the payment of license fees to Artisan Bio and other licensors and the preparation of materials and facilities for GMP-compliant manufacturing. The near-term goal is to advance non-clinical testing and manufacturing outsourcing for the prototype product to a considerable extent.

The Phase I investigator-initiated clinical trial for BP2301, an autologous anti-HER2 CAR-T cell therapy, is currently underway at the Company's collaborator, Shinshu University. Since this clinical trial is mostly funded by a research grant from the Japan Agency for Medical Research and Development (AMED), a large part of new funds to be allocated to BP2301 will be spent to pay for the Company's research personnel costs and other related expenses during the periods of clinical trials. If clinical safety and efficacy is confirmed in the clinical trials, the opportunities for the Company's licensing transactions will be greatly expanded. After the previous fundraising (Series 15 warrants) was approved in January 2022, Shinshu University's acceptance of this grant program was decided in March 2022. Although the amount actually procured after the warrant exercise in the previous fundraising did not reach the originally planned budget due to weak stock prices, the shortfall was partially offset by a decrease in the amount planned to be appropriated to this project.

Regarding the antibody drug pipeline, a proof-of-concept study using a mouse model (in vivo) is underway. The effort to obtain further non-clinical data for antibody profiling will follow, with the aim of preparing for licensing to a major pharmaceutical company. New funds to be allocated to this pipeline will cover the costs for contract research, research reagents and research personnel.

In addition, the Company has raised funds for disbursement to the cancer vaccine pipeline such as summarizing GRN-1201 clinical data for potential out-licensing purposes or BP1209 non-clinical studies by the last fundraising.

(ii) Working capital

The Company's business activities include research and development for drug discovery and non-clinical and clinical development, commercial development centered on licensing transactions (both in-licensing and out-licensing), and support and management of research and development projects.

Working capital is used to cover R&D expenses explained in Item (i) above as well as general and administrative expenses, which include personnel expenses for researchers and other staff, remuneration, rents, travel and transportation expenses, and business taxes. The estimated amount to be allocated from new funds to cover such non-R&D expenses is calculated based on the Company's actual results for the past years.

The following is a summary of the Company's use of the funds procured from Series 15 warrants, which were issued based on a resolution approved by the board of directors in January 2022. Those warrants had been fully exercised until November 2022, and the funds procured have been disbursed in phases until July 2023. While the cumulative amount procured from Series 15 warrants did not reach the originally planned amount upon completion of the warrant exercise in full in November 2022, the shortfall is partly covered by an AMED grant through Shinshu University, the co-developer of BP2301, and offset in other parts by a decrease in the total project cost as a result of moving the project completion forward from September 2023 to July 2023.

Cell therapy:

- iPS-NKT: Developed the manufacturing method; developed prototype CD19/HER2 CAR-iPS-NKT; opted in for the licensing option from RIKEN
- BP2301 (anti-HER2 CAR-T): Developed the clinical trial implementation system; developed cell processing facilities; prepared for drug production before starting a clinical trial

Antibody:

- Achieved pre-clinical proof of concept including tumor growth inhibition in animal models
- Established a stable production technology for bi-parasitic and bispecific antibodies

Cancer vaccine:

- Decided to discontinue clinical trials of GRN-1201 in the US, seeking to find a new path to restart the project
- Improved the prediction accuracy of the fully personalized neoantigen prediction algorithm for BP1209

Project covered by new funds	Amount of funds planned to be spent (millions of yen)	Amount of funds already spent (millions of yen)	Time for disbursement
(1) R&D for cancer immunotherapy pipeline	900	577	July 2022– July 2023
– Cell therapy	500	322	
– Antibody	325	180	
– Cancer vaccine	75	75	
(2) Working capital	207	197	July 2022– July 2023
Total	1,107	775	–

Notes Funds amounting to 775 million yen was procured while the amount originally planned was 1,107 million yen.

Additional information: Development pipelines

The chart below shows the current progress of development pipelines.

(2) Grounds for concluding that the number of shares to be issued and the scale of share dilution are reasonable

The number of shares of the Company's common stock to be issued after the exercise of all Series 16 warrants is 15,660,000 shares (the number of voting rights represented by such shares is 156,600), resulting in the dilution ratio of 24.90% based on the total number of issued shares of the Company as of September 30, 2023 at 62,891,200 shares (the number of voting rights represented by such shares is 628,809) as the denominator (and the dilution ratio for the number of voting rights represented by such shares is 24.90%). The past trading data for the Company's common stock used to verify the adequacy of the number of shares as aforesaid (15,660,000 shares) are as follows: the average daily trading volume for the past six months is 688,843 shares, the average daily trading volume for the past three months is 673,076 shares, and the average daily trading volume for the past one month is 503,210 shares. If all shares issued from all Series 16 warrants during the exercise period of two years (250 trading days per year) are to be sold on the market in the future and such sale causes the maximum dilution, the impact on trading on the secondary market is estimated at the daily sales volume of 20,880 shares (3.03% of the average daily trading volume during the past six months). This means that the Company's shares have a certain degree of liquidity, even taking into consideration the total number of shares underlying Series 16 warrants. The Company therefore determines that the sale of its shares to be issued through the exercise of Series 16 warrants can be absorbed by the liquidity of the Company's shares.

Given that the Company can control warrant exercise to a certain level by designating the time and quantity for each exercise, the Company can prevent a surge in the number of the Company's issued shares. Meanwhile, this Fundraising is expected to underpin the Company's growth strategy and contribute to enhancing the Company's value, which will eventually benefit existing shareholders. In terms of the substance and quantity, the Company believes that this Fundraising is adequately designed to improve the corporate value and stock value of the Company.

The warrants are accompanied by call options that allow the Company to acquire remaining and unexercised options at its discretion. If the Company's funding needs decline for some reason or a more advantageous fundraising method is available to the Company in the future, the Company can acquire warrants to prevent the number of shares from increasing beyond necessity.

Taking into consideration all the factors explained above, the Company has concluded that the quantity of Series 16 warrants and the scale of dilution of shares are reasonable and acceptable.

6. Reasons for Appointment of the Allottee

(1) Profile of the Allottee

1	Name	Macquarie Bank Limited
2	Head office	Level 6, 50 Martin Places, Sydney NSW 2000 Australia
3	Representative	G. R. Stevens AC, Chair S. Green, CEO
4	Description of business	Commercial Bank
5	Capital stock	AU\$10,161 million (911,340 million yen) (as of March 31, 2023)
6	Date of establishment	April 26, 1983
7	Shares outstanding	696,603,664 shares (as of March 31, 2023)
8	Fiscal year end	March 31
9	Number of employees	15,990 (as of March 31, 2023)
10	Main customers	Individual and corporation
11	Main banks	—
12	Major shareholders and their shareholding ratio	Macquarie B. H. Pty Ltd. 100%
13	Relationship with the Company	
	Capital relationship	There is no capital relationship between BrightPath and Macquarie Bank Limited that should be noted. No reportable capital relationship is found between any relevant person or affiliated entity of BrightPath and any relevant person or affiliated entity of Macquarie Bank Limited.
	Personal relationship	There is no personal relationship between BrightPath and Macquarie Bank Limited that should be noted. No reportable personal relationship is found between any relevant person or affiliated entity of BrightPath and any relevant person or affiliated entity of Macquarie Bank Limited.
	Business relationship	As of February 1, 2022, the Company issued to the Allottee Series 15 Warrants Subject to Moving Strike Price, with the number of potential shares issuable at 10,500,000 shares, and Series 1 Unsecured Bonds (privately placed bonds), with the total amount of bonds at 300 million yen. All Series 15 warrants were fully exercised, and Series 1 unsecured bonds (PPB) were fully redeemed. Except as explained above, there is no business

		relationship between the Company and the Allottee that should be noted.		
	Status as an affiliated entity	Macquarie Bank Limited is not a relevant person of BrightPath. None of the relevant persons and affiliated entities of Macquarie Bank Limited is a relevant person of BrightPath.		
14 Business results and financial standing for the past three years				
	Fiscal year	Fiscal year ended March 2021	Fiscal year ended March 2022	Fiscal year ended March 2023
	Consolidated net assets (yen)	1,187,283 million	1,515,780 million	1,825,371 million
	Consolidated total assets (yen)	18,293,297 million	29,494,618 million	29,671,515 million
	Consolidated net assets per share (yen)	1,466.28	1,759.74	2,620.39
	Consolidated net revenue (yen)	590,098 million	805,975 million	1,147,225 million
	Consolidated operating income (yen)	193,859 million	309,348 million	485,313 million
	Consolidated net income (yen)	141,387 million	229,206 million	350,239 million
	Consolidated net income per share (yen)	222.88	350.15	510.77
	Dividend per share (yen)	66.49	0.00	353.94

Note Amounts shown in "Business results and financial standing for the past three years" are converted at 84.36 yen per AU\$, TTM as of March 31, 2021, for FYE March 31, 2021, 92.00 yen per AU\$, TTM as of March 31, 2022, for FYE March 31, 2022, and 89.69 yen per AU\$ TTM as of March 31, 2023, for FYE March 31, 2023, respectively.

(2) Reasons for appointing Macquarie Bank Limited as the Allottee

BrightPath examined various fundraising solutions including both direct and indirect financing. In this context, around July 2023, the Company received a proposal from Macquarie Capital Securities (Japan) Limited (located at 1-3 Kioicho, Chiyoda-ku, Tokyo, Japan and represented by Takuji Watanabe), acting as a financial intermediary, in which BrightPath would issue and allot new securities to Macquarie Bank Limited, the allottee in the previous fundraising in 2022. As a result of comparing and scrutinizing proposals from multiple securities firms, the Company has determined that the fundraising structure and basic terms and conditions proposed by Macquarie Capital Securities and Macquarie Bank Limited and other detailed conditions of the proposed scheme as subsequently confirmed through interviews with them can satisfy the Company's funding needs. Then, the Company finally decided to appoint Macquarie Bank Limited as the Allottee. Macquarie Bank Limited's global track record, business strategy and securities holding policy have convinced the Company that Macquarie Bank Limited is suitable as the Allottee who is to hold the Warrants to be newly issued.

Note: The Company's issuance of the Warrants to Macquarie Bank Limited will be effected through the intermediary service to be provided by Macquarie Capital Securities as a member of the Japan Securities Dealers Association (JSDA). The offering of the Warrants will be implemented in accordance with the Rules Concerning Handling of Allotment of New Shares to Third Party, Etc. established by the JSDA.

(3) Holding policy of the Allottee and measures for controlling warrant exercise

In the course of discussions between the Company and the Allottee, the Allottee's manager has verbally indicated its intention of constantly paying close attention to expected impacts on the market when investing in the Company, while the Allottee's official holding policy is pure investment and the Allottee will aim to sell the Company's common stock to be acquired through the exercise of the Warrants within a relatively short term. After the effective date of the registration to be filed under the Financial Instruments and Exchange Act of Japan, the Company and the Allottee will conclude the Purchase Agreement for the Warrants.

Under the Purchase Agreement, the Allottee's warrant exercise is restricted, in principle, to the extent that the number of shares to be acquired through warrant exercise during any single calendar month will not exceed 10% of the number of listed shares as of the payment date for the warrants exercised ("Overstepping Exercise"). This restriction is introduced in accordance with Article 434, Paragraph 1 of the Securities Listing Regulations established by the Tokyo Stock Exchange, Article 436, Paragraphs 1 through 5 of the Enforcement Rules for Securities Listing Regulations, and Article 13 of the Rules Concerning Handling of Allotment of New Shares to Third Party, Etc. established by the JSDA.

To be more specific, the Purchase Agreement is going to stipulates the following rules.

- (i) Overstepping Exercise by the Allottee is prohibited.
- (ii) Before each warrant exercise, the Allottee must confirm with the Company whether or not the intended exercise constitutes Overstepping Exercise.
- (iii) If the Allottee intends to transfer the Warrants, the Allottee must have the transferee accept and agree on the same rules as described in (i) and (ii) above in advance.
- (iv) If a transferee acquiring the Warrants from the Allottee intends to resell those warrants to another third party, the Allottee must have such third party accept and agree on the same rules as described in (i) and (ii) above in advance.

- (v) The Company will disallow Overstepping Exercise by the Allottee.
- (vi) The Company will make an agreement with a transferee acquiring the Warrants from the Allottee (or another third party acquiring them from such transferee) as to the restriction in the same substance as Overstepping Exercise.

(4) Confirmation of the existence of financial resources necessary for the Allottee's contribution in this Fundraising According to the FY 2023 annual report (compliant with Australia's Corporations Act 2001) and related disclosure documents issued by Macquarie Bank Limited, the balance of cash and cash equivalents recorded by Macquarie Bank Limited as of March 31, 2023 on a standalone basis is 56,563 million Australian dollars (equivalent to 5,073,135 million yen, converted at 89.69 yen as the reference exchange rate (TTM) published by MUFJ Bank, Ltd. on March 31, 2023). The Company therefore determines that Macquarie Bank Limited has sufficient funds capable of subscribing for and exercising the Warrants.

(5) Agreements concerning share certificate lending

Between the Allottee and the Company or any of its officers, there is no agreement for borrowing and lending of share certificates in relation to the shares of the Company's common stock to be issued through exercise of the warrants. No such agreement is planned to be concluded in the future as well.

(6) Status of the Allottee

Macquarie Bank Limited is a wholly owned subsidiary of Macquarie B.H. Pty. Ltd. Macquarie B.H. Pty. Ltd. is a wholly owned subsidiary of Macquarie Group Limited, which is listed on the Australian Stock Exchange (ASX) and subject to supervision and regulation by the Australian Prudential Regulation Authority (APRA). Macquarie Group seizes control of Macquarie Bank International, a UK bank supervised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority of the UK. In Japan, Macquarie Capital Securities (Japan) Limited, as an affiliate of the Allottee, is registered and authorized to conduct Type 1 Financial Instruments Business and subject to supervision and regulation by the Financial Services Agency of Japan. To ascertain these facts about Macquarie Group and its affiliates including Macquarie Bank (the Allottee), the Company interviewed the Allottee's managers, examined the information released on the APRA website and scrutinized the Allottee's annual reports and other disclosure documents. The Company has obtained and confirmed a written statement issued by the Allottee proving that none of the Allottee and its officers and major shareholders have any relationship with antisocial forces. Based on this, the Company has determined that none of the Allottee and its officers and major shareholders has any involvement with antisocial forces and submitted a written confirmation to this effect to the Tokyo Stock Exchange.

7. Major Shareholders and Shareholding Ratios

Pre-allotment (as of September 30, 2023)	
Rakuten Securities, Inc.	1.17%
JP Morgan Securities Japan Co., Ltd.	0.72%
Mitsubishi UFJ Capital Co., Ltd.	0.72%
Hiroshi Akeo (Mr.)	0.64%
Takehiko Nakasato (Mr.)	0.62%
Shunsuke Nakamura (Mr.)	0.59%
Kazuhiko Kaneko (Mr.)	0.56%
SBI Securities Co.	0.53%
Japan Securities Finance Co., Ltd.	0.48%
Morgan Stanley MUFG Securities Co., Ltd.	0.44%

- Notes:
1. The shareholding ratios are calculated based on the number of shares on the shareholder register as of September 30, 2023.
 2. The figures are rounded to two decimal places.
 3. The Allottee's official holding policy is pure investment and it is possible the Allottee will aim to sell the Company's common stock. Neither lineup of major shareholders nor their shareholding ratios after the allotment is shown since the Allottee does not commit to hold the Company's common stock for a long term.

8. Future Outlook

The Proposed Fundraising is expected to contribute to enhancing the Company's corporate value and shareholder value over the medium to long term.

The effects this change will have on the Company's earnings forecast for the current fiscal year are minor though the Proposed Fundraising propels the Company's development and research activities.

9. Procedures Required under the Code of Corporate Conduct

The Proposed Fundraising causes no change of controlling shareholders, and the dilution ratio is less than 25% under this Fundraising. No such change is expected to occur even when all warrants are exercised. While listed companies are required to obtain an opinion from an independent third party and confirm the intent of each

shareholder in certain cases of third-party allotment under Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, this Fundraising does not constitute the third-party allotment requiring such procedures.

10. Business Results and Equity Finance for the Last Three Years

(1) Business results for the last three years (Thousands of yen)

	Fiscal year ended March 2021	Fiscal year ended March 2022	Fiscal year ended March 2023
Net sales	2,504	15,408	5,280
Operating loss (-)	(1,732,802)	(1,476,033)	(1,467,059)
Ordinary loss (-)	(1,738,636)	(1,481,945)	(1,473,774)
Net loss (-) or net loss attributable to owners of the parent (-)	(1,719,634)	(1,484,192)	(1,485,633)
Net loss per share (yen)	(36.14)	(28.55)	(24.90)
Dividend per share (yen)	—	—	—
Net assets per share (yen)	69.10	45.40	24.60

(2) Number of issued shares and potential shares (as of September 30, 2023)

	Number of shares	Ratio
Number of issued shares	62,891,200	100.0%
Number of potential shares issuable at the current exercise price	790,900	1.26%
Number of potential shares issuable at the minimum exercise price	—	—
Number of potential shares issuable at the maximum exercise price	—	—

Note: All potential shares in this table are shares issuable through exercise of stock options.

(3) Recent stock prices

i. Past three years (yen)

	Fiscal year ended March 2021	Fiscal year ended March 2022	Fiscal year ended March 2023
Opening price	220	198	103
Highest price	356	199	270
Lowest price	171	85	61
Closing price	195	103	172

Note: Each stock price was quoted on the Growth Market of the Tokyo Stock Exchange.

ii. Past six months (in 2023)

	Jun.	Jul.	Aug.	Sep	Oct.	Nov.
Opening price	139	131	128	133	136	118
Highest price	149	143	136	148	137	125
Lowest price	124	124	110	121	110	113
Closing price	132	127	135	136	117	114

Note: The stock prices for November 2023 are the data as of November 13, 2023.

iii. Trading day immediately preceding the date of resolution for the issuance of Series 16 warrants

	November 13, 2023
Opening price	116
Highest price	117
Lowest price	114
Closing price	114

(4) Equity finance for the past three years

Series 15 warrants (issued under the scheme of third-party allotment)

Allotment date	February 1, 2022
Number of warrants issued	105,000 warrants
Issue price	35 yen per warrant (3,675,000 yen in total)
Amount of new funds planned to be raised at the time of issuing the warrants	1,127,175,000 yen (Net proceeds: 1,107,175,000 yen) Breakdown - Amount procured through the warrant issue: 3,675,000 yen - Amount procured through warrant exercise: 1,123,500,000 yen - Total expenses for issue: 20,000,000 yen
Number of issued shares upon the offering	52,368,000 shares of common stock
Allottee	Macquarie Bank Limited
Status of warrant exercise to date	105,000 warrants exercised
Amount of new funds raised to date	774,619,000 yen
Projects covered by new funds	i. R&D for cancer immunotherapy development ii. Working capital
Time for disbursement	i. July 2022 – September 2023 ii. July 2022 – September 2023
Status of use of new funds to date	As explained in Section 3(2)

Attachment

BrightPath Biotherapeutics Co., Ltd. Series 16 Warrants

Terms and Conditions

1. Name of the Warrants

BrightPath Biotherapeutics Co., Ltd. Series 16 Warrants (hereinafter referred to as the “Warrant(s)”)

2. Subscription period

Until November 30, 2023

3. Date of allotment

November 30, 2023

4. Payment date

November 30, 2023

5. Offering method

All Warrants are allotted to Macquarie Bank Limited by the method of allotment of securities to specified third parties (third-party allotment).

6. Class and number of shares underlying the Warrants

(1) The class and total number of shares underlying all Warrants shall be 15,660,000 shares of common stock of BrightPath Biotherapeutics Co., Ltd. (hereinafter referred to as the “Company”). The number of shares underlying one Warrant shall be 100 shares (hereinafter referred to as the “Number of Allotted Shares”). If, however, the Number of Allotted Shares is adjusted pursuant to Paragraphs (2) through (5) below, the total number of shares underlying all Warrants shall be adjusted in proportion to the adjusted Number of Allotted Shares.

(2) If the Company conducts a stock split, allotment of shares without contribution or a consolidation of shares for the Company's common stock (hereinafter collectively referred to as “Stock Reconstruction”), the Number of Allotted Shares shall be adjusted in accordance with the following formula. However, fractions less than one share arising from the adjustment shall be rounded down.

Number of Allotted Shares after adjustment

= Number of Allotted Shares before adjustment x Ratio of Stock Reconstruction

(3) If the Company adjusts the Exercise Price (as defined below) in accordance with Section 11 (except where such adjustment is made due to Stock Reconstruction), the Number of Allotted Shares shall be adjusted in accordance with the following formula (rounding down fractions less than one share arising from the adjustment). The Exercise Price before adjustment and the Exercise Price after adjustment used in this formula shall be the Exercise Price before adjustment specified in Section 11 and the Exercise Price after adjustment specified therein respectively.

$$\begin{array}{rcc} \text{Number of Allotted} & & \text{Number of Allotted Shares} \\ \text{Shares after} & & \text{before adjustment} \\ \text{adjustment} & = & \frac{\phantom{\text{Number of Allotted Shares}}}{\text{Exercise Price after adjustment}} \times \text{Exercise Price} \\ & & \text{before adjustment} \end{array}$$

- (4) In the event of adjustment pursuant to Section 6, the Number of Allotted Shares after adjustment shall become effective on the effective date of the Exercise Price after adjustment, which is specified in any applicable provisions of Items Section 11(2), 11(3) and 11(6).
- (5) When intending to adjust the Number of Allotted Shares, the Company shall notify holders of the Warrants (hereinafter referred to as "Warrant Holders") in writing on or before the day immediately preceding the effective date of the adjustment, which notification shall state the intention of making such adjustment, reasons for the adjustment, the Number of Allotted Shares before adjustment, the Number of Allotted Shares after adjustment, the effective date and other necessary matters. If, however, the Company is unable to provide such advance notification in the case specified in Section 11(2)(v) or under any other circumstances, the Company shall provide the notification of the adjustment promptly after the effective date.

7. Total number of the Warrants

156,600 warrants

8. Amount to be paid in for each Warrant

33 yen per Warrant

9. Value of the property to be contributed upon exercise of the Warrants or method of calculating such value

- (1) The property to be contributed upon exercise of each Warrant shall be cash, and its value shall be an amount obtained by multiplying the Exercise Price by the Number of Allotted Shares.
- (2) The amount per share of the Company's common stock to be contributed upon exercise of the Warrants (hereinafter referred to as "Exercise Price") shall initially be 104 yen; provided that the Exercise Price may be revised under Section 10 and adjusted under Section 11.

10. Revision of the Exercise Price

- (1) Subject to Section 10(2), the exercise price shall be revised to an amount equal to 92% of the closing price of the Company's common stock in regular trading on the Tokyo Stock Exchange on the trading day (as defined below) immediately preceding the Revision Date (as defined below), or 92% of the last available closing price before said trading day if no closing price is available on that trading day, rounded down to the nearest one yen. If, however, the trading day immediately preceding the Revision Date falls on a record date (as defined in Article 144 of the Operational Rules regarding Book-entry Transfer of Shares, Etc. established by Japan Securities Depository Center, Incorporated (JASDEC)) for identifying eligible shareholders of the Company's common stock or a nonbusiness day of JASDEC on which its service for mediating exercise of the Warrants is not performed, the fourth trading day preceding the record date in question or the immediately

preceding business day of JASDEC on which its service for mediating exercise of the Warrants was performed shall be used.

A “trading day” means a day on which a trading session is held on the Tokyo Stock Exchange. If, however, trading of the Company's common stock on the Exchange is suspended or restricted for any reason on a certain trading day, such day shall be treated as a non-trading day.

“Revision Date” means the effective date of the revised Exercise Price in connection with each exercise of Warrants, that is, the day on which the Company receives a notice of exercise of Warrants submitted under Section 16(1).

- (2) The Exercise Price shall not be less than 57 yen (which is subject to the adjustment under Section 11) (hereinafter referred to as the “Minimum Exercise Price”). If the revised Exercise Price calculated in the way specified above is to fall below the Minimum Exercise Price, the Minimum Exercise Price shall be adopted as the revised Exercise Price.

11. Adjustment to the Exercise Price

- (1) If the total number of issued shares of the Company’s common stock changes or is likely to change in any of the cases specified in Section 11(2) after the Warrants have been issued, the Company shall adjust the Exercise Price in accordance with the following formula (hereinafter referred to as the “Exercise Price Adjustment Formula”).

$$\begin{array}{r}
 \text{Exercise Price after adjustment} \\
 = \\
 \text{Exercise Price before adjustment} \\
 \times \frac{\text{Number of outstanding shares} + \text{Number of shares newly issued or disposed of}}{\text{Market value per share}} \\
 \times \frac{\text{Amount contributed per share}}{\text{Number of shares newly issued or disposed of}}
 \end{array}$$

- (2) The Exercise Price shall be adjusted by the Exercise Price Adjustment Formula in any of the following cases. The Exercise Price so adjusted shall be effective from the day specified for each applicable case.

- (i) In the case where the Company newly issues shares of the Company’s common stock or disposes of any such shares held by the Company at a price less than the market price specified in Section 11(5)(ii) (including the cases of allotting shares without contribution), except where the Company issues or disposes of shares as stock-based compensation subject to transfer restriction for the Company’s officers or employees, delivers shares based on exercise of warrants (including those attached to bonds), acquires shares with put options or shares subject to call, or delivers shares based on exercise of any other right to ask for such delivery, or delivers shares of the Company’s common stock in the context of a company split, share exchange or merger

The Exercise Price after adjustment shall become effective on the payment date (which shall be the last day of the payment period designated for the offering or on the effective date for

the allotment of securities without contribution, as applicable), or on the day immediately following the record date, if any, for identifying the shareholders eligible for the allotment in such issuance or disposition.

- (ii) In the case of issuing shares of the Company's common stock through a stock split

The Exercise Price after adjustment shall be effective on the day immediately following the record date for the stock split. The "number of shares newly issued or disposed of" used in the Exercise Price Adjustment Formula means an increase in the number of shares of the Company's common stock arising as a result of the stock split.

- (iii) In the case of issuing or granting shares with put options for which shares of the Company's common stock are to be delivered at a price lower than the market value specified in Section 11(5)(ii) or issuing or granting warrants (including those attached to bonds) for which their holders are entitled to ask for the delivery of shares of the Company's common stock at a price lower than the market value specified in Section 11(5)(ii), except where the Company issues stock options to its officers or employees

The Exercise Price after adjustment shall be calculated by the Exercise Price Adjustment Formula on the assumption that all put options or all warrants, as the case may be, are exercised under the original conditions. The Exercise Price so adjusted shall become effective on the payment date for shares with put options, on the allotment date of warrants, or on the effective date for the allotment of securities without contribution, as the case may be. If, however, a record date for identifying the shareholders eligible for the allotment is set, the Exercise Price after adjustment shall be effective from the day immediately following the record date.

- (iv) In the case where shares of the Company's common stock are delivered at a price lower than the market value specified in Section 11(5)(ii), in exchange for the Company's acquisition of shares subject to call or warrants (including those attached to bonds) subject to call that the Company has already issued

The Exercise Price after adjustment shall become effective on the day immediately following the acquisition date.

Notwithstanding the foregoing, if any adjustment to the exercise price made under Item (iii) occurs before the adjustment made pursuant to the preceding paragraphs in relation to the shares subject to call or warrants (including those attached to bonds) subject to call in question, the exercise price to be obtained after the latter adjustment shall be calculated with consideration for the former adjustment.

- (v) Notwithstanding Items (i) to (iii) above, if a record date is set in any of the cases described in those Items and the validity of the Exercise Price after adjustment is subject to the approval of the shareholders meeting, the board of directors or any other authorized organization of the Company to be obtained after the record date, the Exercise Price after adjustment shall become effective on the day immediately following the approval date. In this situation, if any Warrant Holder exercises Warrants during the period from the day immediately following the record date to the approval date, the Company shall additionally deliver shares of its common

stock to the Warrant Holder in the number calculated by the following formula.

$$\text{Number of shares} = \frac{\left(\begin{array}{c} \text{Exercise} \\ \text{Price} \\ \text{before} \\ \text{adjustment} \end{array} - \begin{array}{c} \text{Exercise} \\ \text{Price after} \\ \text{adjustment} \end{array} \right) \times \text{Number of shares issued at the} \\ \text{Exercise Price before adjustment} \\ \text{during the period in question}}{\text{Exercise Price after adjustment}}$$

Fractions less than one share shall be rounded down.

- (3) (i) If the Company distributes dividends specified in Item (ii) below after issuing the Warrants, the exercise price shall be adjusted in accordance with the formula specified below (hereinafter referred to as the “Dividend-based Exercise Price Adjustment Formula”). The Dividend-based Exercise Price Adjustment Formula and the formula for adjusting the exercise price on the occasion of issuing new shares or other securities are hereinafter collectively referred to as the “Exercise Price Adjustment Formula.”

Exercise Price after adjustment	=	Exercise Price before adjustment	x	Market value per share - Dividend per share
				Market value per share

- (ii) “Dividend per share,” which is related to the record date for any dividend falling on or before the last day of the exercise period for the Warrants specified in Section 12, means the amount of the dividend of surplus for each share of the Company’s common stock payable on the record date in question (including the amounts of money paid under Article 455(2) and Article 456 of the Companies Act of Japan) or the book value of the dividend property if any property other than money is to be distributed as a dividend as of the record date. The amount of dividend shall be calculated as a number in the hundredth place and rounded off to the nearest tenth place.
- (iii) If the exercise price is adjusted on the occasion of a dividend payment, the adjusted exercise price shall become effective on and after the fifth trading date following the date of the resolution to approve the dividend payable as of the relevant record date pursuant to Article 454 or 459 of the Companies Act of Japan.
- (4) If the difference between the Exercise Price after adjustment calculated by the Exercise Price Adjustment Formula and the Exercise Price before adjustment is less than one yen, the Exercise Price shall not be adjusted. If, however, the Exercise Price subsequently needs to be adjusted upon occurrence of an event requiring adjustment, the amount obtained by subtracting such difference from the Exercise Price then in effect shall be used as the Exercise Price before adjustment in the Exercise Price Adjustment Formula.
- (5) (i) In the calculation by the Exercise Price Adjustment Formula, the value shall be calculated to the second decimal place and rounded off to the first decimal place.
- (ii) The market value used in the Exercise Price Adjustment Formula shall be the average closing price of the Company’s common stock at the Tokyo Stock Exchange for the 30 consecutive trading days (excluding days on which no closing price is available) beginning on the 45th

trading day prior to the effective date of the Exercise Price after adjustment (or prior to the record date, in the case of Item (2)(v) of this Section). In this case, the average value shall be calculated to the second decimal place and rounded off to the first decimal place.

- (iii) The number of outstanding shares to be used in the Exercise Price Adjustment Formula shall be the total number of issued shares of the Company's common stock as of the record date, if any, for identifying the shareholders eligible for the allotment or as of the day one month prior to the effective date of the Exercise Price after adjustment, if there is no such record date, less the number of such common stock shares held by the Company as of the same date. In the case described in Section 11(2)(ii), the number of shares newly issued or disposed of used in the Exercise Price Adjustment Formula shall not include the number of shares of the Company's common stock to be allotted to such common stock shares held by the Company as of the record date.
- (6) In addition to the case where the Exercise Price is required to be adjusted under Section 11(2) or 11(3), the Company shall consult with the Warrant Holders and make necessary adjustment to the Exercise Price with the consent of the Warrant Holders in any of the following cases.
- (i) In the case where the Exercise Price needs to be adjusted for the purpose of a consolidation of shares, company split, share exchange or merger
 - (ii) In the case where the Exercise Price needs to be adjusted due to the occurrence of any other event leading to a change or likely to give rise to a change in the number of shares of the Company's common stock
 - (iii) In the case where multiple events requiring adjustment to the Exercise Price occurs sequentially and the effects from a certain event need to be considered for the purpose of fixing the Exercise Price before adjustment to be used for calculating the Exercise Price after adjustment in connection with any other event
- (7) When intending to adjust the Exercise Price (or the Minimum Exercise Price), the Company shall notify the Warrant Holders in writing on or before the day immediately preceding the effective date of the adjustment, which notification shall state the intention of making such adjustment, reasons for the adjustment, the Exercise Price before adjustment, the Exercise Price after adjustment (or the Minimum Exercise Price after adjustment), the effective date and other necessary matter. If, however, the Company is unable to provide such advance notification in the case specified in Section 11(2)(v) or under any other circumstances, the Company shall provide the notification of the adjustment promptly after the effective date.

12. Exercise Period for the Warrants

From December 1, 2023 to November 30, 2026

13. Other conditions for exercising Warrants

Exercising any Warrant in part is not allowed.

14. Acquisition of Warrants

- (1) If the Company's board of directors adopts a resolution to approve the necessity of acquiring Warrants, the Company may, on the acquisition date determined by the board of directors, acquire all or part of the Warrants held by the Warrant Holders (excluding the Company) at a price equal to the amount paid in for each Warrant, upon giving 20 trading days' prior notice in accordance with the provisions of Articles 273 and 274 of the Companies Act. Such acquisition may occur on or after the day immediately following the payment date for the Warrants. If such acquisition covers only a part of all remaining and unexercised Warrants, random drawings or any other impartial selection system shall be used. Notwithstanding anything contained in these Terms and Condition to the contrary, the Company's notification of its acquisition of Warrants provided to the Warrant Holders shall not be effective unless the Company's disclosure of the acquisition fulfills the requirement set forth in Article 166, paragraph (2) of the Financial Instruments and Exchange Act to the effect that no material facts must be contained in the information obtained by the Warrant Holders before the disclosure in connection with the Company's acquisition.
- (2) If the Company enters into a merger (limited to the case where the Company is to disappear in the merger), if the Company's shareholders meeting approves that the Company will become a wholly-owned subsidiary of another company through share exchange or share transfer, or if the Tokyo Stock Exchange decides to delist shares of the Company's common stock, the Company shall acquire, on the acquisition date determined by the board of directors, all Warrants held by the Warrant Holders (excluding the Company) at a price equal to the amount paid in for each Warrant, upon giving 15 trading days' prior notice in accordance with Article 273 of the Companies Act. Notwithstanding anything contained in these Terms and Conditions to the contrary, the Company's notification of its acquisition of Warrants to the Warrant Holders shall not be effective unless the Company's disclosure of the acquisition fulfills the requirement set forth in Article 166, Paragraph 2 of the Financial Instruments and Exchange Act to the effect that no material facts must be contained in the information obtained by the Warrant Holders before the disclosure in connection with the Company's acquisition.
- (3) On the last day of the exercise period specified in Section 12 (or on its immediately preceding business day if it falls on a non-business day), the Company shall acquire all Warrants held by the Warrant Holders (excluding the Company) at a price equal to the amount paid in for each Warrant.

15. Increase in the stated capital and capital reserves when shares are issued based upon exercise of the Warrants

When shares are issued based upon exercise of Warrants, the amount of stated capital to be increased shall be the amount obtained by multiplying the maximum amount of increase in stated capital as calculated pursuant to Article 17 of the Regulations on Corporate Accounting by 0.5, rounding up fractions less than one yen. As a result, the amount of capital reserves to be increased shall be the amount obtained by subtracting the amount of stated capital to be increased as calculated above from the maximum amount of increase in stated capital as aforesaid.

16. Procedure for exercising Warrants

- (1) To exercise Warrants, the Warrant Holder shall submit an warrant exercise notice stating required matters to the office specified in Section 19 during the exercise period specified in Section 12.

- (2) To exercise Warrants, the Warrant Holder shall, in addition to submitting the exercise notice specified in Section 16(1), pay the full amount of the property required to be contributed upon the warrant exercise in cash by transfer to the Company's designated account in the office for payment specified in Section 20.
- (3) A notice of exercise of Warrants shall become effective on the day on which all of the following are fulfilled: the office for warrant exercise specified in Section 19 shall have been fully informed of all required matters for the warrant exercise and the full amount of the property required to be contributed upon the warrant exercise shall have been paid into the account specified in Section 16(2).

17. Non-issuance of warrant certificates

The Company will not issue warrant certificates for the Warrants.

18. Amount to be paid in for the Warrants and grounds for the calculation of the amount of property to be contributed upon their exercise

The amount to be paid in for one Warrant has been set at the amount specified in Section 8 by taking into consideration these Terms and Conditions and the provisions of the purchase agreement between the Company and the allottee, using a Monte Carlo simulation, which is a general pricing model, and drawing the result of an independent appraiser's valuation based on certain preconditions regarding the stock price, liquidity and volatility of the Company's common stock, the call options granted to the Company, and the allottee's exercise behavior and changes in shareholdings. In addition, the amount of property to be contributed upon exercise of the Warrants has been set at the amount specified in Section 9.

19. Office for warrant exercise

Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation

20. Office for payment

Shinbashi Branch, Sumitomo Mitsui Banking Corporation

21. Application of the Act on Book-Entry Transfer of Corporate Bonds and Shares

Given that the Warrants are Book-Entry Transfer Warrants defined in the Act on Book-Entry Transfer of Corporate Bonds and Shares, all Warrants are governed by this Act. The Warrants shall be handled in accordance with the Operational Rules for Book-Entry Transfer of Shares, etc., the enforcement regulations thereof and other regulations established by Japan Securities Depository Center, Inc.

22. Book-entry transfer institution

Japan Securities Depository Center, Inc.
7-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo

23. Miscellaneous conditions

- (1) These Terms and Conditions shall be effective when the relevant securities registration statement filed in accordance with the Financial Instruments and Exchange Act takes effect.
- (2) In addition to these Terms and Conditions, other matters necessary for the issuance of the Warrants shall be determined at the discretion of the Company's representative director.