

September 01, 2023

Company Name	Otsuka Holdings Co., Ltd.
Name of Representative	Tatsuo Higuchi President and Representative Director, CEO
Code Number	4578, Prime market of the Tokyo Stock Exchange
Contact	Yuji Kogure Director, Investor Relations Department (Phone: +81-3-6361-7411)

## Notice regarding transfer of sub-subsiary

Otsuka Pharmaceutical Co., Ltd. (Otsuka Pharmaceutical), a wholly owned subsidiary of Otsuka Holdings Co., Ltd. (the Company) and Mindset Pharma, Inc. (Mindset) announce that they have entered into a definitive arrangement agreement pursuant to which Otsuka Pharmaceutical will acquire Mindset for approximately CAD 80 million in an all-cash transaction. This agreement has been executed through Otsuka America, Inc. (OAI), a wholly owned subsidiary of Otsuka Pharmaceutical. The Otsuka Pharmaceutical and Mindset boards of directors have approved the transaction.

Through this acquisition, Mindset will become a wholly owned subsidiary of OAI. Upon completion of the acquisition, Otsuka Pharmaceutical will further develop several new 5-HT<sub>2A</sub> agonists in North America and Europe. Otsuka Pharmaceutical, through OAI and a special purpose company established under its control for the purpose of the acquisition, will enter into a Plan of Arrangement (a statutory procedure recognized under Canadian law).

The acquisition of Mindset shares by OAI is subject to approval of the transaction by the Canadian courts, approval by Mindset shareholders and the completion of other legal procedures. The acquisition is expected to be completed during the fourth quarter of 2023.

The amount invested in the special purpose company is equivalent to more than 10/100 of the capital of the Company. This fact falls under the items that require disclosure as stipulated in the Timely Disclosure Standards of the Tokyo Stock Exchange.

For details, please refer to the press release by Otsuka Pharmaceutical as attached.

### 1. Outline of Otsuka Pharmaceutical

(1) Name	Otsuka Pharmaceutical Co., Ltd.
(2) Location	2-9, Kanda-Tsukasamachi, Chiyoda-ku, Tokyo 101-8535, Japan
(3) Representative	Makoto Inoue, President and Representative Director
(4) Business	Manufacturing, distributing, exporting, and importing of pharmaceuticals, clinical testing equipment, medical device and equipment, food products, cosmetics, and other related products
(5) Capital	20 billion yen

### 2. Outline of the sub-subsiary to be changed (the special purpose company)

(1) Name	1435816 B.C. LTD.
(2) Location	Suite 2400, 745 Thurlow Street Vancouver, BC V6E 0C5
(3) Representative	Tsuyoshi Nakamura, Director
(4) Business	Implementation of procedures to make Mindset a wholly owned subsidiary of OAI
(5) Capital	CAD 1 (at the time of its establishment) With OAI's investment, the capital will be increased to approximately CAD 80 million after October 2023.
(6) Establishment	August 28, 2023
(7) Investment Ratio	OAI: 100%

(8) Relationship between the Listed Company and the Relevant Company	Capital Relationship	OAI, Otsuka Pharmaceutical's wholly owned subsidiary, holds 100% of the relevant company's shares.
	Personnel Relationship	The president of OAI will concurrently serve as the Director of the relevant company.
	Transactional Relationship	Not applicable

### 3. Outline of Mindset Pharma, Inc.

(1) Name	Mindset Pharma, Inc. (CSE: MSET)		
(2) Location	217 Queen St W, Toronto, ON M5V 0R2, Canada		
(3) Representative	James Lanthier, CEO		
(4) Business	Research and development of next-generation psychotropic drugs		
(5) Capital	18.8 million Canadian dollars (as of March 31, 2023)		
(6) Establishment	October 7, 2019		
(7) Major shareholders and shareholding ratio	Ken Belotskiy (6.0%), Richard Patricio (3.8%), James Passin (3.0%)		
(8) Relationship between the Listed Company and the Relevant Company	Capital Relationship	Not applicable	
	Personnel Relationship	Not applicable	
	Transactional Relationship	McQuade Center for Strategic Research and Development, LLC, a wholly owned subsidiary of OAI, has a business alliance with the relevant company.	
(9) Operating Results and Financial Conditions of the Relevant Company for Previous Three Fiscal Years			
	FY2020 ended June 30, 2020	FY2021 ended June 30, 2021	FY2022 ended June 30, 2022
Net assets (10 thousands CAD)	47	902	149
Total assets (10 thousands CAD)	56	1,008	977
Net assets per share (CAD)	0.02	0.11	0.02
Revenue (10 thousands CAD)	-	-	391
Operating loss (10 thousands CAD)	48	1,161	1,658
Net loss and comprehensive loss for the year (10 thousands CAD)	48	1,165	1,661
Net loss per share (CAD)	0.02	0.14	0.18

### 4. Number of shares transferred, transfer price, and shareholding before and after the transfer

(1) Number of shares held before the change	0 shares (Ratio of voting rights held: 0%)	
(2) Number of shares to be transferred	101,298,924 shares	
(3) Transfer price (Estimate)	Common stock of Mindset, etc.	CAD 80 million
	Advisory fees, etc.	CAD 5 million
	Total	CAD 85 million
(4) Number of shares to be held after the change	101,298,924 shares (Ratio of voting rights held: 0%)	

#### 5. Schedule

(1) Date of Establishment of the special purpose company	August 28, 2023
(2) Date of board resolution	August 31, 2023
(3) Contract date	August 31, 2023
(4) Date of share transfer	Scheduled to be completed during the fourth quarter of 2023

#### 6. Future outlook

The impact of this acquisition on the current year's consolidated financial results will be announced as soon as the accounting treatment is settled.

## **Otsuka Pharmaceutical to Acquire Mindset Pharma - Strengthens pipeline in the area of psychiatric and neurological disorders -**

Otsuka Pharmaceutical Co., Ltd. (Otsuka) and Mindset Pharma, Inc. (Mindset) announce that they have entered into a definitive arrangement agreement pursuant to which Otsuka will acquire Mindset for approximately CAD 80 million in an all-cash transaction. This agreement has been executed through Otsuka America, Inc. (OAI), a wholly owned subsidiary of Otsuka. The Otsuka and Mindset boards of directors have approved the transaction. The acquisition is expected to be completed during the fourth quarter of 2023, subject to required procedures.

### 1. Outline

Mindset is a drug discovery-based research and development company with exceptional expertise in the research and development of the next generation of therapeutics to help treat psychiatric and neurological disorders with high unmet needs. In January 2022, Mindset and The McQuade Center for Strategic Research and Development, LLC (MSRD), an affiliate of Otsuka that invests in early-stage research programs, entered into a joint development agreement to support Mindset's research and develop a new class of agonists that activate the serotonin 5-HT<sub>2A</sub> receptor. Since the signing of the joint development agreement between Mindset and MSRD, the two companies have been working together to develop new compounds. The serotonin 5-HT<sub>2A</sub> agonist being developed through this collaboration is attracting attention as a potential therapy for treatment-resistant depression and post-traumatic stress disorder (PTSD), and is expected to be a major innovation in the field of psychiatric and neurological disorders, where clear unmet medical needs remain.

Makoto Inoue, president and representative director of Otsuka commented, "Otsuka Pharmaceutical has designated psychiatry and neurology as one of its top priority therapeutic areas and has been developing antipsychotic agents with clinical significance on a global basis. With the addition of Mindset's novel compounds and synthesis processes, we expect this acquisition will further contribute to the treatment of patients suffering from psychiatric disorders."

James Lanthier, CEO of Mindset said, "We are thrilled to announce this all-cash transaction with Otsuka as we believe it maximizes value and is a great outcome for all Mindset stakeholders. We believe Otsuka is ideally positioned to maximize the value of the Mindset assets and IP portfolio to the future benefit of patients."

### 2. Overview

Through this acquisition, Mindset will become a wholly owned subsidiary of OAI. Upon completion of the acquisition, Otsuka will further develop several new 5-HT<sub>2A</sub> agonists in North America and

Europe. Otsuka, through OAI and a special purpose company established under its control for the purpose of the acquisition, will enter into a Plan of Arrangement (a statutory procedure recognized under Canadian law).

The acquisition of Mindset shares by OAI is subject to approval of the transaction by the Canadian courts, approval by Mindset shareholders and the completion of other legal procedures. The acquisition is expected to be completed during the fourth quarter of 2023.

3. About Mindset Pharma, Inc. (<https://mindsetpharma.com/>)

Corporate name	Mindset Pharma, Inc. (CSE: MSET)
Address	217 Queen St W, Toronto, ON M5V 0R2, Canada
Representative	James Lanthier, CEO
Business	Research and development of next-generation psychotropic drugs
Capital	18.8 million Canadian dollars (as of March 31, 2023)
Founded	2019