



Series A financing of 570 million yen procured by Epsilon Molecular Engineering: A next-generation medium sized molecular biotechnology-based drug discovery firm

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Saitama - After a capital increase in the initial closing of its series A round, with investments by Mitsubishi UFJ Capital and Real Tech Fund, Epsilon Molecular Engineering Inc. (EME), a Saitama University-based biotechnology startup, recently had its second closing. Following the initial closing for the series A round, with Mitsubishi UFJ Capital as the lead investor, EME received investments from Gunma Medical Engineering Vitalization Investments, which is run by the Regional Economy Vitalization Corporation of Japan (REVIC), Gunma Bank, and their subsidiaries, and from Kao Corporation. EME also went forward with a subordinated loan from Shoko Chukin Bank, a loan from Saitama Resona Bank, and a lease from Syutoken Leasing Co., Ltd. Consequently, EME procured a total of 570 million yen through financing, borrowing, and leasing in the series A round. With these investments, EME plans to further promote its next-generation biotechnology-based drug discovery research and development focusing on heavy chain single domain antibodies, VHH.

[Comment from Naoto Nemoto, President of Epsilon Molecular Engineering Inc.]

“EME aims to discover medium sized molecular bio-drugs with new modalities using its proprietary VHH technology. We will leverage this financing to accelerate collaborative research with pharmaceutical manufacturers and internal research using its own pipeline. We will especially do our best to provide therapeutic pharmaceuticals to treat COVID-19 through collaborative research with Kitasato University and Kao Corporation.”

[Comment from Mikihiko Shinozaki, Vice-Director of the Life Sciences Division at Mitsubishi UFJ Capital]

“I am pleased that the series A round ended up as a success. As the lead investor in this round of financing, we would like to express our acknowledgment to all those who have joined in this effort. Using its unique high-throughput screening technology, we hope that EME will be able to produce safer next-generation pharmaceuticals and medium sized molecular pharmaceuticals with higher potencies and provide these to patients. Furthermore, the potential of the EME team, which has created this screening method and placed it into action, has clearly been demonstrated, as shown by the announcement that they have obtained a VHH that suppresses COVID-19 infection. We will continue to proactively support EME in its efforts to make more breakthroughs.”



[Comments from Ichiro Nakai, President of REVIC Capital, and Nobusuke Kuwahara, President of Gungin Consulting Co. Ltd.]

“EME has developed foundational technology that can create new drugs to deal with unmet medical requirements, including infectious diseases for which there are no effective treatments. This company has already confirmed itself in the industry through collaborative research with multiple pharmaceutical manufacturers. We support companies that lead regional vitalization. EME is a startup originating outside Tokyo that has made promising breakthroughs and holds more promise for the future.”

[Comment from Executive officer and Director of the Hygiene Science Research Center at Kao Corporation, Motomitsu Hasumi]

“Going forward, Kao Corporation, will support societal contributions to protect future lives. EME, with its high-efficiency screening technology based on the evolution of molecular engineering, is an extremely important partner to us. When developing a VHH to counteract COVID-19, the speed and flexibility of EME’s technology enabled the company to obtain sequencing information within 1 week of obtaining an antigen. Using the obtained sequencing data, Kao Corporation was able to produce an antibody sample in one week using protein production technology such as enzymes cultivated by our technology. We anticipate working together with EME going forward to achieve even greater things.”

[Comment from Fumiharu Muroga, Growth Manager at Real Tech Fund]

“Proteins are an important structural component of living things. The bio industry has progressed to a point where it deals with proteins from an engineering perspective. EME’s proprietary biomolecule design technology allows for creating diverse molecules such as medical antibodies, which are important for our future. These molecules hold promise in our efforts to solve various societal issues.”

About EME

EME was established as a startup originated from Saitama University in 2016 with the mission of “Creating functional biomolecules for the future.” The company creates proprietary cDNA display libraries for molecules such as VHH and cyclic peptides using evolutionary molecular engineering technology and has created a unique high-throughput system using next-generation sequencing methods such as fluorescence-activated cell sorting and artificial intelligence. Currently, EME is focusing on the drug discovery/medical fields and working on using our proprietary technology to discover biological and medium sized molecular drug development candidates, as well as use VHH in cell/gene therapy. EME is engaged in collaborative research and development based on suggestions from pharmaceutical manufacturers, as well as internal research and development using its own



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pipeline and early-stage collaboration with development partners. Recently, EME announced that through collaboration research with Kitasato University and Kao Corporation, they had produced a VHH that can inhibit infection by the COVID-19 virus.

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