

Building Innovation Ecosystems

Biotech is a strategic imperative for Japan



JOHANNES FRUEHAUF, MD, PhD
Founder & CEO, Biolabs/LabCentral

July 30, 2024



Biotech is a Strategic Imperative for Japan



Economic
Development Engine



National Security
Requirement



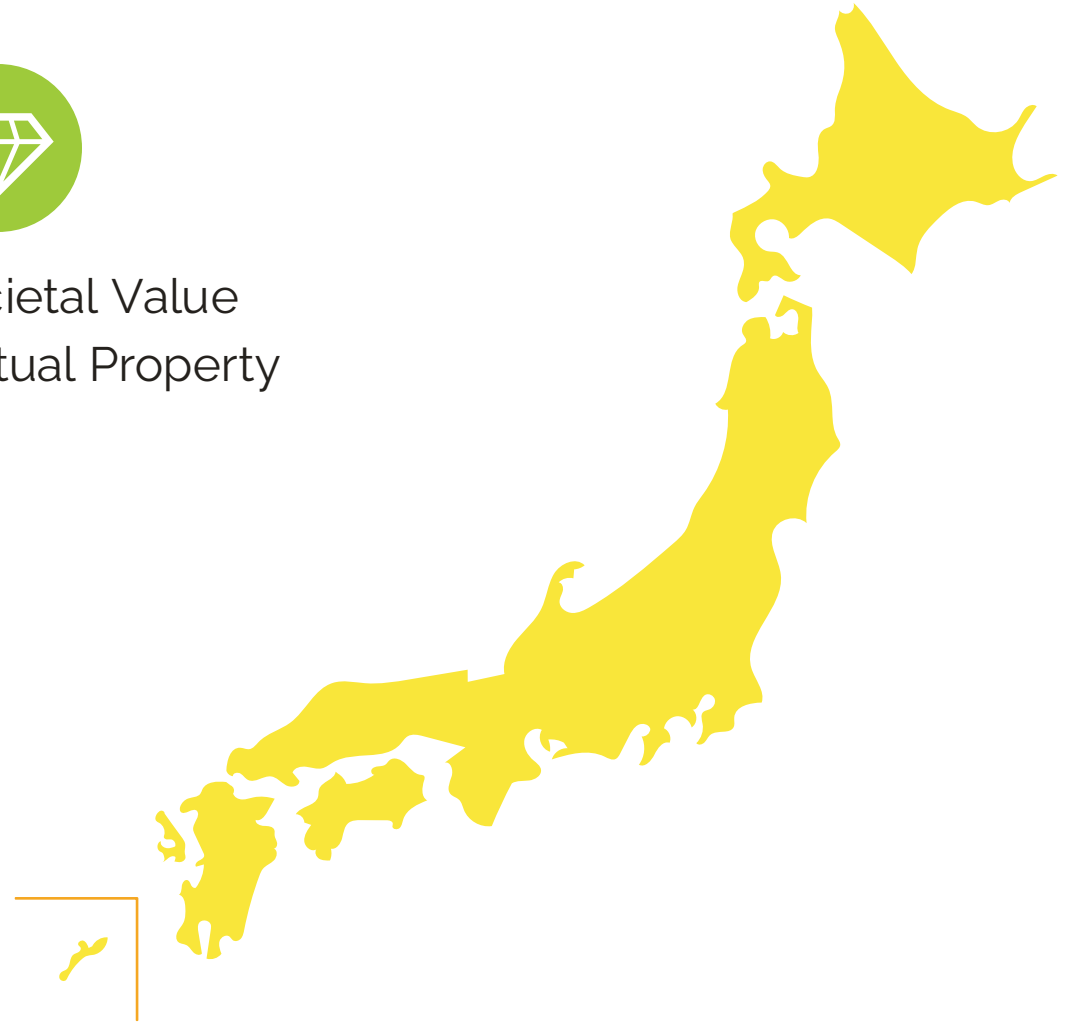
Create Societal Value
from Intellectual Property



Innovation Pipeline
for Established
Pharma Companies



Access For
Japanese Patients to
New Therapeutics



We Support Early-stage Life Science Startups Worldwide

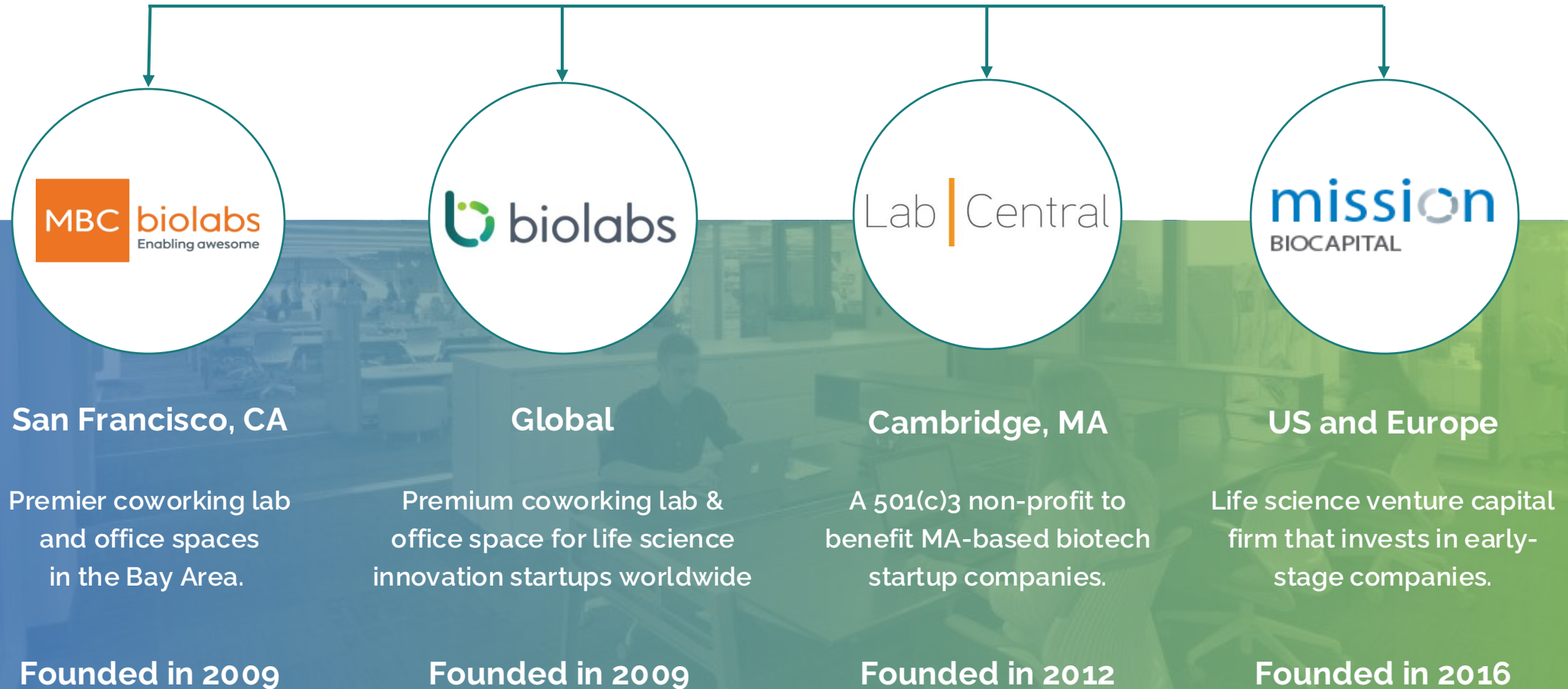
Since 2009, BioLabs & affiliates have been supporting life science entrepreneurs and growing biotech ecosystems in leading innovation hubs.

1200+
Startups Supported
Since Inception

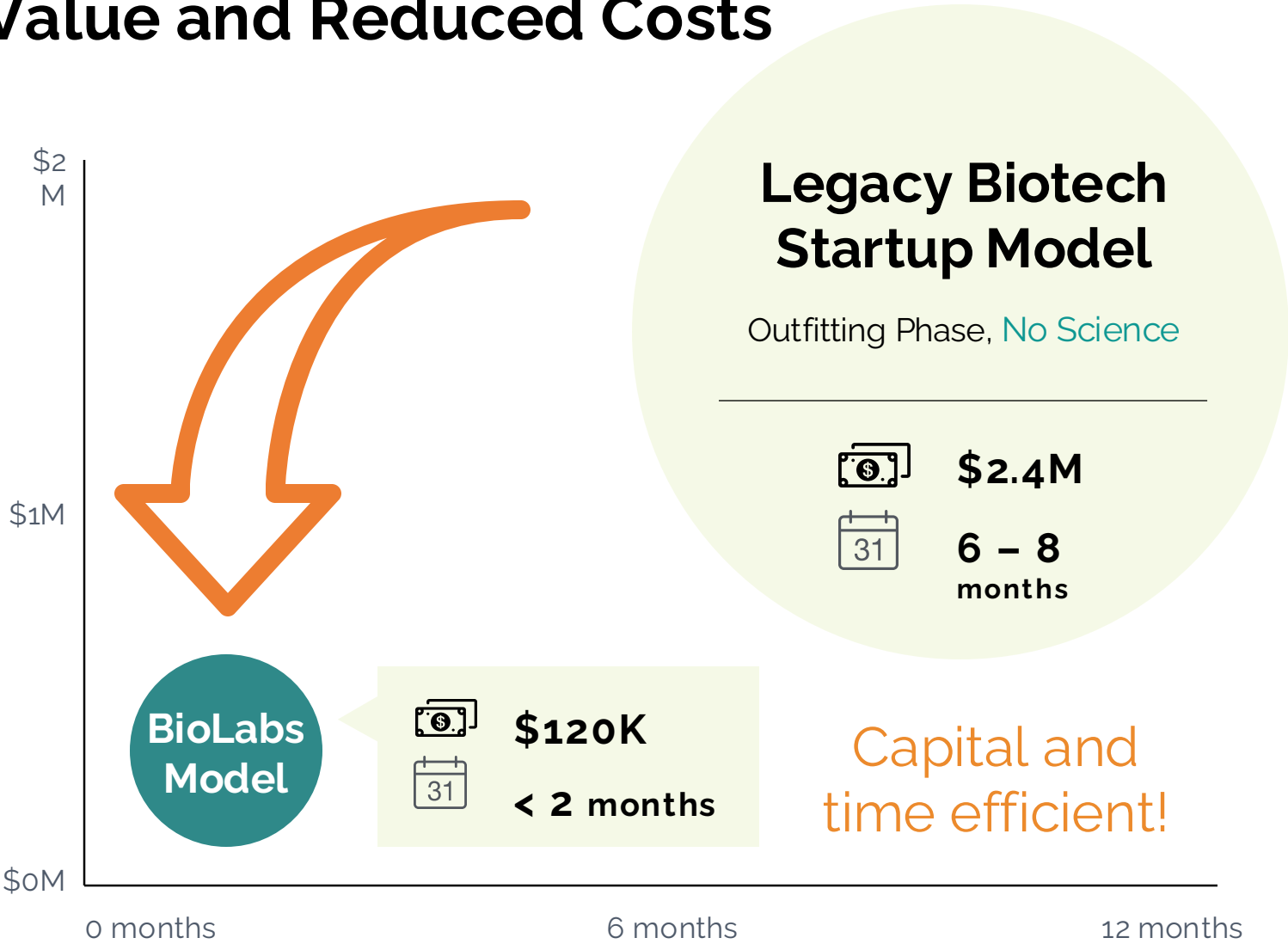
8500+
Life-Science Jobs
Created



BioLabs & Affiliated Organizations Leverage 80+ Years of Experience Accelerating & Supporting Biotech Startups



BioLabs Model | Faster Time to Value and Reduced Costs



Lean
Start-Up Model

FOR LIFE SCIENCES

20X

Cost Reduction



Sponsor Spotlight



Success of the Model is in the Numbers

\$30B+
Total funding raised by
residents since inception

35+
IPOs by resident companies

50+
Mergers & acquisitions

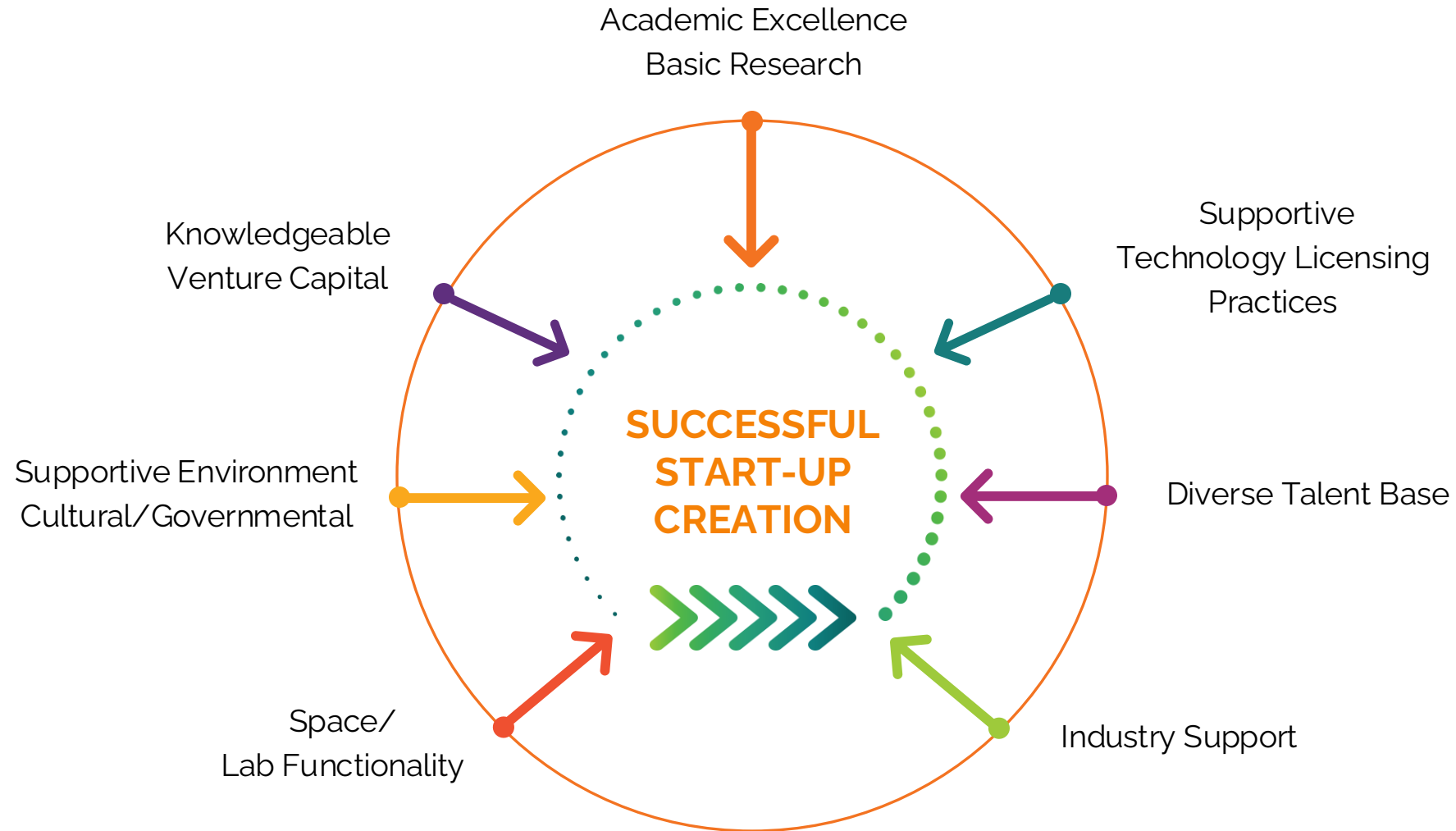


250+
Clinical trials by resident companies

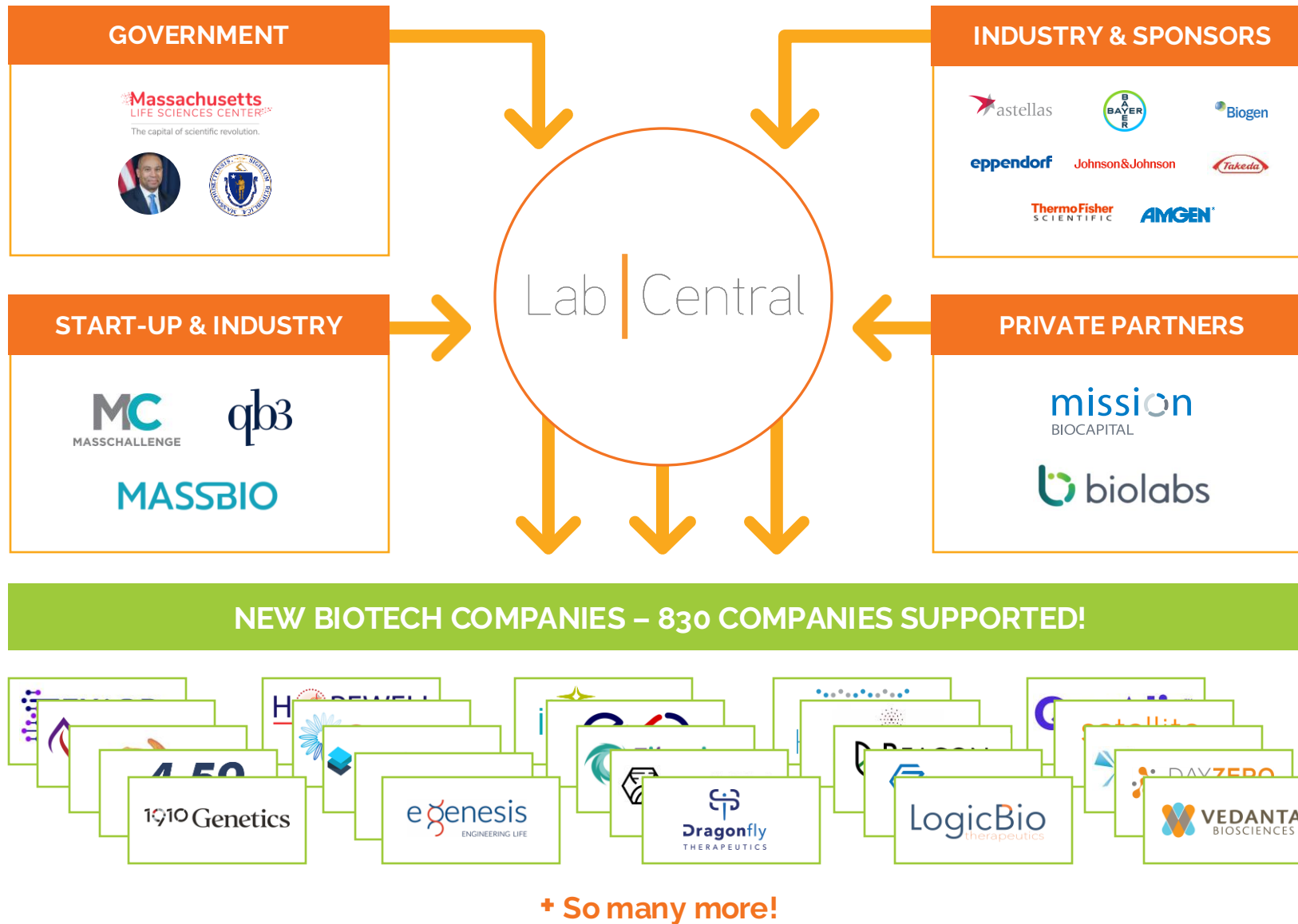
>15,000
Patients dosed/enrolled

200+
Patents granted

Elements of a Functional Innovation Ecosystem



LabCentral A Successful Public/Private Partnership



Impact Highlights

8,339+ Life-Science jobs created

\$30 BN in funds raised by resident companies

30 IPOs

150+ Clinical trials launched*

15,000 Patients dosed/enrolled*

180+ Patents granted*

*LabCentral companies only

BioLabs Global: Actively Expanding in Japan with Worldclass Japanese Partners

Tsukuba/Kashiwa-no-ha

Collaboration with Astellas,
Mitsui Fudosan and Link-J



Kyoto

MOU with Kyoto University



Kansai Region

Ecosystem Building Programming,
Kansai Life Science Accelerator
Program - **Pitch Event September 13!**



Kawasaki

iCONM in Collaboration with
BioLabs (KIIP)



Kawasaki City

Japan Broadly

More Masterclass
Programs coming soon!

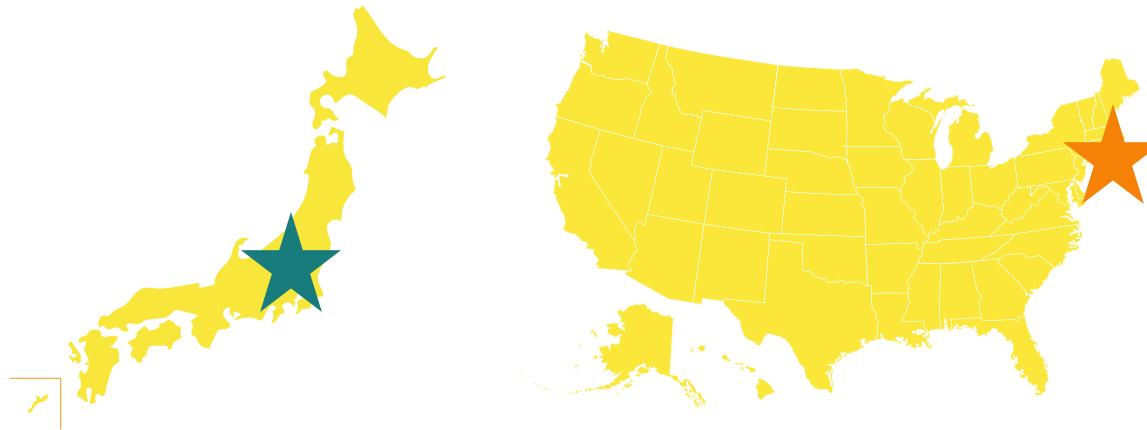


Example for a Successful Collaboration: Growing US & Japan Biotech Ecosystems Together



Astellas, BioLabs and Mitsui Fudosan Announce a Collaboration to Enhance the Life Science Ecosystems in Tsukuba and Kashiwa-no-ha, Japan.

- **October 2023:** SakuLab™-Tsukuba, launched by Astellas.
- The Open Innovation Hub will open at the Astellas Tsukuba Research Center.
- The initiative aims to accelerate open innovation.
- Enhances the life science ecosystem in Tsukuba.



Changing the life science ecosystems in Japan
Fostering startups based on pharmaceutical capability
Increasing visibility of Japanese startups

Astellas is the only pharmaceutical company among the five Founding Sponsors of LabCentral 238 in Cambridge, MA.

- **March 2024:** LabCentral and Astellas launch the inaugural \$500,000 "Diamond Ticket" at LabCentral 238.
- This new program, the largest of its kind, provides private lab space for innovative growth-stage biotech companies at the state-of-the-art Kendall Square site.

Proposed High-Impact Policy Measures in Japan

Basic Policy on Economic and Fiscal Management and Reform 2023: Biotechnology is a priority sector for expanded government investment, with various ministries tasked to advance initiatives in white, green, and red biotech sectors. Key focus areas include:

GOAL	ACTIONS TO TAKE
<input checked="" type="checkbox"/> Invest in Innovation Infrastructure	Invest in affordable lab and manufacturing infrastructure for all stages.
<input checked="" type="checkbox"/> Develop and Secure Talent for Long-Term Bioeconomy	Encourage workforce mobility, expand training programs, de-stigmatize entrepreneurial failure, and celebrate founders as role models.
<input checked="" type="checkbox"/> Broaden Academic Mission	Integrate biotech and entrepreneurship training earlier in the academic curriculum for scientists and establish innovation/product development as part of the academic mandate.
<input checked="" type="checkbox"/> Streamline Technology Transfer	Support and streamline the path from basic research to commercialization and real-world applications.
<input checked="" type="checkbox"/> Expand VC Funding	Grow the VC sector, through direct government capital investment and measures to attract private capital (favorable tax treatment).

Thank You!

 biolabs Lab | Central



Appendix



INNOVATION INFRASTRUCTURE INVESTMENTS

- Models and precedent cases for public-private partnerships are well established in the US, Germany, and France.
- Modest public investment in innovation infrastructure can unlock huge economic potential and help diversify Japan's future employment and industrial base.
- Shared labs create cost efficiency and build community.
- Creating defined hubs increases network effects and attracts/retains talent.
- Infrastructure will go hand-in-hand with ecosystem building.

TECHNOLOGY TRANSFER and ACADEMIC MISSION

- Shift focus from just basic research to a product-oriented mission for universities.
- Task universities with making life better for society by creating products that help people.
- Align interests between institutions and startups/investors:
 - Avoid upfront cash payment to obtain license rights from academic institutions or universities. This stands in the way of successful development as it requires scarce seed investment capital to flow to pay license fees rather than to do the experiments to de-risk the technology or develop the product.
 - Make IP owned by institutions easily available to researchers and investors without upfront cash fees, allowing funds to be used for early development.
 - Align interests by allowing institutions to participate in the long-term upside of the value created.
 - Link license fees to revenue and product success.
 - Incentive structures for academic licensing offices should include direct parameters such as job creation, long-term revenue flows, the number of spinouts enabled, and the number of unicorns created, which holds significant reputation and marketing value for the academic institution.

CULTURAL CHANGE: Embrace of Risk

- Entrepreneurial startup creation is full of risk: most startups fail.
- Startup entrepreneurship requires a high personal and societal tolerance for risk and failure. It is important to remove the stigma from entrepreneurial failure in startups.
- Government leaders should celebrate startup entrepreneurs as heroes, not only in success but also as role models for trying.
- Encourage second chances: those who failed before are less likely to repeat mistakes and have valuable experience. Industry, government, and academia should hire entrepreneurs.