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Company Name: HEALIOS K.K.
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(TSE Mothers Code: 4593)

**Stem Cell Product MultiStem® Manufacturing Arrangements
To be Developed Ahead of Commercialization in Japan**

HEALIOS K.K. (“Healios”) is developing a new treatment for acute ischemic stroke in Japan using the stem cell product MultiStem®, for which the patent and licensing rights are held by Athersys, Inc (“Athersys”), and conducting the placebo-controlled, double-blind, Phase 2/3 efficacy and safety trial of adult stem cell regenerative medicine HLCM051 ^{*1} in patients with acute ischemic stroke in Japan, named the TREASURE study^{*2}.

Today, Nikon Corporation (“Nikon”), our business and capital alliance partner, announces that its subsidiary Nikon CeLL innovation Co., Ltd. (“NCLi”) has executed a manufacturing services agreement with Athersys in preparation for the commercialization of MultiStem in Japan for ischemic stroke.

(Please see the announcement below from Nikon for more details.)

http://www.nikon.com/news/2017/1011_01.htm

The clinical products used in TREASURE Study have been manufactured by a contract manufacturer in USA and provided to Healios through Athersys. Moving forward, the technology transfer of manufacturing processes from Athersys to NCLi will be carried out alongside TREASURE study, to establish a framework for potential commercial production that would begin after TREASURE study is successfully completed.

< Comments from Hardy TS Kagimoto, President, Representative Director & CEO, HEALIOS K.K.>

The establishment of new manufacturing arrangements geared specifically towards the commercial production of MultiStem in Japan for ischemic stroke will facilitate the development of a stable supply and distribution framework for our company, which holds the exclusive license for marketing of the product in Japan.

Healios will initially obtain the clinical products from the current contract manufacturer and will continue to maintain a close relationship with Athersys to ensure the faithful implementation of the study. We will also focus on collaborating with Nikon in view of the commercialization.

*1: HLCM051

Healios holds a development pipeline for treating ischemic stroke using the stem cell product HLCM051 (MultiStem) in Japan. Ischemic stroke is a condition in which a blockade in blood vessels in the brain precludes the delivery of oxygen and nutrients beyond the blockade, causing necrosis of nerve cells over time. Currently, ischemic stroke is treated with t-PA (a thrombolytic agent) that dissolves clots lodged in a blood vessel in the brain, mechanical reperfusion therapy, or other treatment options; however, there is a need for a new drug that can be used during a longer period of time after the onset of ischemic stroke and that also provides the potential for improved outcomes for patients.

Healios has introduced HLCM051 by signing an exclusive licensing agreement with a biopharmaceutical company, Athersys, Inc., in the United States in January 2016 on the domestic development and distribution of regenerative medicine products in Japan for ischemic stroke using the Athersys' proprietary stem cell product, MultiStem.

*2: TREASURE study

TREASURE is an abbreviation for "Treatment Evaluation of Acute Stroke Using Regenerative Cell Elements".

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