

February 13, 2018

Company Name: HEALIOS K.K.  
Representative: Hardy TS Kagimoto,  
President, Representative Director & CEO  
(TSE Mothers Code: 4593)  
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## **Establishment of Healios N.A. Inc.**

HEALIOS K.K. (“Healios”) today announces that, at the board of directors’ meeting held on February 13, 2018, it decided to establish a subsidiary in the United States.

### 1. Reason for establishment of a subsidiary

With the mission of “To be the change in an ever-evolving world through enrichment of living”, Healios is committed to providing new therapeutic methods that bring healing and hope to patients with refractory diseases all over the world with its excellent stem cell technologies such as iPS cells, and through its development in the field of iPSC/somatic stem cell regenerative medicine.

Therefore, Healios decided to establish a wholly-owned subsidiary in the United States to implement clinical development not only in Japan but also overseas and to strengthen alliances.

### 2. Overview of new subsidiary

(1) N a m e	Healios N.A. Inc.
(2) L o c a t i o n	California, U.S.A. (tentative)
(3) R e p r e s e n t a t i v e	Hardy TS Kagimoto, President
(4) B u s i n e s s	Development of drugs
(5) C a p i t a l	150,000 U.S. dollars (tentative)
(6) E s t a b l i s h m e n t	March 2018 (tentative)
(7) O w n e r s h i p	HEALIOS K.K. 100.0%

### 3. Future outlook

The effect of this investment on Healios’ financial statements is not significant.

Healios keeps its sales estimate for the current term undisclosed as it considers the calculation of proper and reasonable figures to be difficult in this situation, where there are currently a lot of unconfirmed elements that may influence the performance, such as possible business collaborations, acquisition of new seeds and so forth, while it will disclose its financial results and business overview as of the end of each quarter on a timely basis.

Healios will promptly announce if there occurs any matter that must be disclosed.