

February 13, 2018

Company Name: HEALIOS K.K.
Representative: Hardy TS Kagimoto,
President, Representative Director & CEO
(TSE Mothers Code: 4593)
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Announcement of Strategic Investment in GAIA BioMedicine Inc.

HEALIOS K.K. (“Healios”) today announces that, at the board of directors’ meeting held on February 13, 2018, it decided to make a strategic investment in GAIA BioMedicine Inc., (“GAIA BioMedicine”), a company engaged in the development of regenerative medicine based on the study results from Kyushu University, through acquisition of shares and share options of GAIA BioMedicine, as further described below.

1. Reason for strategic investment

GAIA BioMedicine is engaged in the development of immune cell therapies for cancers and other regenerative medicine with its technologies that enable highly pure and efficient expansive cultivation of natural killer (NK) cells^{*1} having strong antitumor activity, based on the study results of Professor Yoshikazu Yonemitsu, MD, PhD, Graduate School of Pharmaceutical Sciences, Kyushu University, who is the founder of GAIA BioMedicine. The funds invested by Healios will be used for the further development of these technologies.

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.

Through this investment, Healios seeks to promote the strategic partnership that aims at synergistic effects between the development of cancer immune cell therapy centering on NK cells, which Gaia BioMedicine has as its strength, and Healios’ stem cell technologies.

Healios will hold certain portion of GAIA BioMedicine’s shares and will obtain share options as a result of this stock investment.

Before Healios decided on making this strategic investment, it engaged Plutus Consulting Co., Ltd., a third-party calculation agent independent from Healios and GAIA BioMedicine, to analyze the stock value of the subject company in order to determine a fair price, and it received from the agent the calculation results of the shares and share options on February 9, 2018. Healios made its decision on this investment in consideration of the matters reported in the calculation results and other matters in a comprehensive manner.

2. 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.

*1 Natural killer (NK) cell

Natural killer (NK) cell is a subset of lymphocyte that belongs to white blood cells. NK cell plays a central role in a cell mediated defense system that human bodies naturally have, and attack cancer cells and virus-infected cells. The expected efficacy of treatments using NK cells includes life-extending effectiveness, relief of symptoms, improvement of the quality of life, and promotion of healing.

About GAIA BioMedicine

Name: GAA BioMedicine Inc.

Representative: Kazuyuki Kuramori, President and Representative director

Founder: Yoshikazu Yonemitsu, MD, PhD

Establishment: October 2015

Location: Fukuoka-city, Fukuoka

Business: Development of Regenerative medicine

About Healios

Name: HEALIOS K.K.

Representative: Hardy TS Kagimoto, President, Representative director and CEO

Establishment: February 2011

Location: 2-4-1, Hamamatsucho, Minato-ku, Tokyo

Business: Research, development and manufacturing of Regenerative/Cell medicine