

May 29, 2018

Company Name HEALIOS K.K.  
Representative Name Hardy TS Kagimoto,  
Chairman and CEO  
(TSE Mothers Code: 4593)  
Contact Name Ken Ishikawa,  
Executive officer in charge of administration  
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### **Establishment of Organoid Neogenesis Laboratory Inc.**

HEALIOS K.K. (“Healios”) today announces that at the executive committee meeting held on May 29, 2018, it decided to establish a subsidiary.

#### 1. Reason for establishment of a subsidiary

Healios launched a collaborative research project concerning human organs with Yokohama City University in October 2014 for the clinical application of organ bud technology, starting from the investigation/preparation of cells and other aspects required for the clinical application to regenerate the liver with organ buds. Recently, via a Healios-involved academic-industrial alliance, the relevant technology has improved to allow for mass production of cells, allowing cultivation at a rate that is up to approximately 100 times greater than the previous method. On the back of this advancement, Healios has decided to establish a new subsidiary to promote the practical use of this platform technology.

The inventor of the technology, Professor Hideki Taniguchi will take on the role of director of the subsidiary, for the purpose of accelerating the practical realization of this technology with respect to multiple organ fields including, but not limited to, the liver.

#### 2. Overview of new subsidiary

(1) Name	Organoid Neogenesis Laboratory Inc.
(2) Location	Minato-ku, Tokyo (tentative)
(3) Representative	Daisuke Yamamoto, President
(4) Business	Research and development of medicinal products
(5) Establishment	June 2018 (tentative)

Note: Mr. Daisuke Yamamoto is an employee of Healios.

#### 3. Future outlook

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

Healios considers that a proper and reasonable forecast is difficult because there can be several pending plans that may influence our financial situation, such as business collaborations, etc. Therefore, Healios does not disclose a forecast for the current term or the full financial year. Instead, we will disclose financial results and a summary of our business each quarter in a timely manner.

If matters to be disclosed arise in the future, Healios will promptly make relevant announcements.