

July 12, 2022

Company Name: HEALIOS K.K.  
Representative: Hardy TS Kagimoto, Chairman & CEO  
(TSE Growth Code: 4593)  
Contact: Richard Kincaid, Executive Officer CFO  
(TEL: 03-5962-9440)

## **Binding Term Sheet for License Agreement with RxCell for Healios' GMP grade iPSC line for commercial use**

HEALIOS K.K. ("Healios") announces that it has entered into a binding term sheet for a license agreement ("Binding Term Sheet") with the US based RxCell Inc. (Head office: San Francisco, California; CEO: Xianmin Zeng; hereinafter referred to as "RxCell" <https://www.rxcellinc.com/>), a biotechnology company focused on the research and development of ocular and neural cell therapies. The license agreement involves the provision of non-exclusive access to one of Healios' GMP grade, for commercial use iPSC lines for the generation and sale of retinal progenitor, neural, and certain other cell types identified in the future that are non-competitive with Healios therapeutic programs.

In relation to providing access to this cell line, Healios would receive an up front payment of US\$ 500,000, royalties on the sales of certain products derived from the line, and would also receive certain rights in relation to the products in the Japanese market.

Healios and RxCell will commit to use reasonable efforts to promptly conclude a license agreement consistent with the terms embodied in the Binding Term Sheet.

This matter is expected to contribute to our consolidated financial results. Healios shall promptly announce all future matters that require disclosure.

### **About Healios' GMP grade iPSC lines:**

Induced pluripotent stem cells (iPSCs) are established by introducing several factors to somatic cells such as skin cells. iPSCs can differentiate into the cells of a various tissues or organs (pluripotency) and grow indefinitely (proliferation). The objective of iPSC regenerative medicine is to restore cellular function by replacing dysfunctional tissues with cell therapy medicines, which are prepared via a differentiation process (a technique used to artificially change cells into those having specific functions), and which have the same functions as healthy human tissues.

Healios is actively engaged not only in its own iPSC research and development activities, but in alliances with research institutes and companies around the world in order to establish new technologies and know-how that can become iPSC regenerative medicine products and platform technologies and accelerate their practical application.

Healios has successfully developed GMP grade iPSC lines in support of both our activities and those of our alliance partners.

**About Healios:**

Healios is Japan's leading clinical stage biotechnology company harnessing the potential of stem cells for regenerative medicine. It aims to offer new therapies for patients suffering from diseases without effective treatment options. Healios is a pioneer in the development of regenerative medicines in Japan, where it has established a proprietary, gene-edited "universal donor" induced pluripotent stem cell (iPSC) line to develop next generation regenerative treatments in immunology, ophthalmology, liver diseases, and other areas of severe unmet medical need. Healios' lead iPSC-derived cell therapy candidate, HLCN061, is a next generation NK cell treatment for solid tumors that has been functionally enhanced through gene editing. Its near-term pipeline includes the somatic stem cell product HLCM051, which has been evaluated in Japan in Phase 2/3 and Phase 2 trials in ischemic stroke and acute respiratory distress syndrome (ARDS), respectively. Healios was established in 2011 and has been listed on the Tokyo Stock Exchange since 2015 (TSE Growth: 4593). <https://www.healios.co.jp/en>