

October 16, 2023

Company Name: HEALIOS K.K.
Representative: Hardy TS Kagimoto, Chairman & CEO
(TSE Growth Code: 4593)
Contact: Richard Kincaid, Executive Officer CFO
(TEL: 03-4590-8009)

Notice of Change in Use of Funds

HEALIOS K.K. ("Healios") hereby announces that at its Executive officers' meeting held today, Healios resolved to change the use of funds described in the "Notice Concerning Issuance of New Shares through Overseas Offering" dated September 15, 2021 as follows.

1. Reason for the change in uses of funds

As [announced on October 11, 2023](#), Healios and Athersys, Inc. ("Athersys") agreed to extend the scope of the license for the development, manufacture, and commercialization of HLCM051, a treatment for acute respiratory distress syndrome (ARDS), from Japan to the entire world. In addition, Healios will purchase investigational product for use in the clinical trial described in ["Next Clinical Trial for HLCM051 for ARDS" dated March 2, 2023](#). Healios plans to pay up to \$4.5 million to Athersys for this purpose, and we have decided to use a portion of the funds described in "Notice Concerning Issuance of New Shares through Overseas Offering" dated September 15, 2021.

2. Details of the change

The details of the change in use of funds are as follows (changes are underlined):

Specific use	Amount	Expected date of expenditure
(1) Costs related to the establishment of a commercial manufacturing system in anticipation of the marketing approval of HLCM051	<u>Approx. 2 billion yen</u>	By December 2023
(2) Costs related to R&D of our company's proprietary NK cell-focused pipeline	Approx. 3 billion yen	By December 2023
(3) Working capital such as personnel expenses	Approx. 1.8 billion yen	By December 2023
Total	Approx. 6.8 billion yen	

Specific use	Amount	Expected date of expenditure
(1) Costs related to the establishment of a commercial manufacturing system in anticipation of the marketing approval of HLCM051	<u>Approx.</u> <u>1.6 billion</u> <u>yen</u>	By December 2023
(2) Costs related to R&D of our company's proprietary NK cell-focused pipeline	Approx. 3 billion yen	By December 2023
(3) Working capital such as personnel expenses	Approx. 1.8 billion yen	By December 2023
(4) <u>Expansion of the license agreement for HLCM051 and funds for the purchase of the investigational product</u>	<u>Approx.</u> <u>0.4 billion</u> <u>yen</u>	<u>By December 2023</u>
Total	Approx. 6.8 billion yen	

(Note) Specific uses (1) through (3) have been fully appropriated to date. In addition, due to the revision of the plan, the planned amount of expenditure for (1) has decreased by December 2023.

There is no confirmed impact of this matter on the business results for the fiscal year ending December 31, 2023 at this time. We will promptly announce any matters that should be disclosed in the future.

Contact: Department of IR Finance and Accounting
E-mail: ir@healios.jp