

January 16, 2024

Company Name: HEALIOS K.K.
Representative: Hardy TS Kagimoto, Chairman & CEO
(TSE Growth Code: 4593)
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Announcement of Letter of Intent on Joint Research for Utilization of Culture Supernatant

HEALIOS K.K. (“Healios”) today announces that Healios and AND medical group (“AND medical” <https://and-mg.com/>) have entered into a letter of intent (“LOI”) for a basic agreement for joint research to utilize the technology and culture supernatant owned by Healios.

1. Outline of the Agreement

The purpose of this LOI is to confirm the understanding between the parties with respect to a joint research agreement (the "Agreement") under which Healios will provide regenerative medicine technology and raw materials to AND medical for use in the development of a new therapy. Healios will receive 180 million yen as joint research expenses. The two parties will continue negotiations toward the conclusion of this agreement based on this LOI.

Tadahisa Kagimoto, MD, Chairman and CEO of Healios, made the following comment: “As our production of regenerative medicine products increases utilizing 3D culture methods, a large amount of various culture supernatants will be produced. We are pleased to announce the start of a joint research project on the utilization of such raw materials. This activity is in line with our vision of "transforming the lives of patients by creating, developing and commercializing cutting edge cell therapy technologies.” Furthermore, by generating sales as soon as possible, Healios aims to strengthen our financial position as well as effectively utilize our resources.”

2. Future Outlook

This matter has no impact on our consolidated financial results at this time. We will promptly announce any matters that should be disclosed in the future.

About AND medical group:

AND medical group is a comprehensive medical group operating clinics in 19 locations nationwide (as of the end of 2023). Established in 2020, the company offers cosmetic dermatology, cosmetic surgery, plastic surgery, and urology services, and has also begun working in the field of regenerative medicine using stem cells at its affiliated regenerative medical institutions.

The company believes that there are various kinds of "beauty" depending on the different personalities, preferences, and values that each person possesses, and aims to provide various medical services to reduce patients' dissatisfaction and complexes about their appearance, aiming to create clinics where people can "pursue their own beauty," regardless of gender, age, or nationality.

In the future, we will advance joint research with Helios in the field of regenerative medicine. Together we will conduct scientific verification of safety and therapeutic efficacy at the level required by the government, aiming to establish stem cell-based therapeutic approaches and manufacture cosmetic as well as medical products utilizing cultures supernatants. By doing so, we aspire to explore the potential of stem cell therapy across various disease affected area.

Name of the company: AND medical group

Location: Roppongi, Minato-ku, Tokyo

Representative: Masaomi Kusano, Representative of Board of Directors

<https://and-mg.com/>

About Healios:

Healios K.K. 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 immuno-oncology, 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, and is currently being advanced globally by Healios in ARDS. 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>